APOLLO TYRES LTD
Registered Office: 3rd Floor, Areekal Mansion,
Panampilly Nagar, Kochi- 682036 (Kerala)
(CIN-L25111KL1972PLC002449)
Tel: +91 484 4012046 Fax: +91 484 4012048
Email: investors@apollotyres.com
Web: apollotyres.com

NOTICE

NOTICE is hereby given that the 50th Annual General Meeting (AGM) of the Members of **APOLLO TYRES LTD** will be held on Wednesday, August 2, 2023 at 3:00 PM (IST) through Video Conferencing (VC) for which purpose the Registered Office of the Company situated at 3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi-682036 shall be deemed to be 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, 2023, 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, 2023 and report of Auditors thereon.

2. To declare the final dividend of ₹4.00 per equity share and a special dividend of ₹0.50 per equity share on occasion of 50th AGM of the Company, aggregating to ₹4.50 (i.e. 450%) per equity share, for the financial year ended March 31, 2023.

3. To appoint a Director in place of Mr. Francesco Gori (DIN: 07413105), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Vishal Mahadevia (DIN: 01035771), 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 2023-24**

    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), Chinnapandur (Andhra Pradesh) and Company's leased operated plant at Kalamassery (Kerala) for the financial year 2023-24 be paid a remuneration of ₹3.60 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. **FIXATION OF TENURE OF MR. ONKAR KANWAR (DIN: 00058921) AS A NON-EXECUTIVE DIRECTOR DESIGNATED AS CHAIRMAN**

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

"RESOLVED THAT in continuation of the resolution passed by the Members of the Company at the Annual General Meeting held on July 11, 2022 and pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for fixation of tenure of Mr. Onkar Kanwar (DIN: 00058921) as Non-Executive Director designated as Chairman for a period of 5 years with effect from February 1, 2023 to January 31, 2028 (both days inclusive).

RESOLVED FURTHER THAT except fixation of the tenure for a period of 5 years, all other terms and conditions relating to continuation of Mr. Onkar Kanwar as Non-Executive Director designated as Chairman of the Company as approved by the Members of the Company at the Annual General Meeting held on July 11, 2022 shall remain unchanged.

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

7. **RE-APPOINTMENT OF MR. NEERAJ KANWAR (DIN: 00058951) AS MANAGING DIRECTOR**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder read with Schedule V of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to the approval of the Central Government, if required and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Neeraj Kanwar (DIN : 00058951) as Managing Director of the Company for a period of 5 years with effect from April 1, 2024 to March 31, 2029 (both days inclusive), with such designation as the Board of Directors (hereinafter referred to as the 'Board' which expression shall also include the 'Nomination and Remuneration Committee' of the Board) may decide from time to time on terms and conditions as mentioned in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it 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."

8. **PAYMENT OF REMUNERATION TO MR. NEERAJ KANWAR (DIN: 00058951) AS MANAGING DIRECTOR**

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

"RESOLVED THAT pursuant to the provisions of Sections 196(4), 197 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder read with Schedule V of the Companies

Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of the Central Government, if required and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include the 'Nomination and Remuneration Committee' of the Board), consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Neeraj Kanwar (DIN : 00058951) as Managing Director of the Company for a period of 5 years with effect from April 1, 2024 to March 31, 2029 (both days inclusive) on the terms and conditions and remuneration as set out in the explanatory statement annexed to the notice with liberty and power to the Board to grant increments and to alter and vary from time to time, the terms and conditions of the said re-appointment, subject to the same not exceeding the limits specified under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. Neeraj Kanwar will be paid the salary and perquisites as minimum remuneration in accordance with 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 the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it 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."

9. RE-APPOINTMENT OF MR. SATISH SHARMA (DIN: 07527148) AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder read with Schedule V of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Satish Sharma (DIN: 07527148) as Whole-time Director of the Company for a period of 5 years with effect from April 1, 2024 to March 31, 2029 (both days inclusive), with such designation as the Board of Directors (hereinafter referred to as the 'Board' which expression shall also include the 'Nomination and Remuneration Committee' of the Board) may decide from time to time on terms and conditions as mentioned in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it 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."

10. PAYMENT OF REMUNERATION TO MR. SATISH SHARMA (DIN: 07527148) AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196(4), 197 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder read with Schedule V of the

Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include the 'Nomination and Remuneration Committee' of the Board), consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Satish Sharma (DIN : 07527148) as Whole-time Director of the Company for a period of 5 years with effect from April 1, 2024 to March 31, 2029 (both days inclusive), on the terms and conditions and remuneration as set out in the explanatory statement annexed to the notice with liberty and power to the Board, to grant increments and to alter and vary from time to time, the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. Satish Sharma will be paid the salary and perquisites as minimum remuneration in accordance with Section 197 and 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 the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it 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: Amsterdam
Date : May 9, 2023

NOTES:

1. 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), Circular No. 02/2021 (dated January 13, 2021), Circular No. 19/2021 (dated December 8, 2021), Circular No. 21/2021 (dated December 14, 2021), Circular No.2/2022 (dated May 5, 2022) and Circular No. 11/2022 (dated December 28, 2022), issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated (May 12, 2020), SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 (dated January 15, 2021), SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 (dated May 13, 2022) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 (dated January 5, 2023) (hereinafter referred to as 'Circulars'), AGM will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM), where physical attendance of the Members at the AGM venue is not required. Further, all resolutions in the meeting shall be passed through the facility of e-Voting/electronic system.

2. In accordance with the Circulars, 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. Since the AGM will be held through VC, the route map, proxy form and attendance slips are not annexed to this Notice.

4. In compliance with the Circulars, the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report FY23) 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 30, 2023 and to all other persons so entitled.

5. In line with the Circulars, the Notice calling the AGM along with Annual Report FY23 has also been uploaded on the website of the Company at www.apollotyres.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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.

6. The Members can join the AGM through 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.

7. 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.

8. 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 record date i.e. July 14, 2023 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.

9. According to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption.

   A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended March 31, 2023 shall be sent to the Members whose email addresses are registered with the Company/ DPs.

10. 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.

11. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business set out above in the notice is annexed hereto.

12. 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/ re-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.

13. All documents referred to in the notice are available for inspection through secured electronic mode by writing to the Company at its email ID: investors@apollotyres.com till the date of the meeting.

14. 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.

15. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the said Act and other documents referred to in the explanatory statement will be available electronically for inspection without any fee by the members upon login at NSDL e-Voting system at https://www.evoting.nsdl.com.

16. In accordance with Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all requests for transfer of securities, including transmission and transposition requests, shall be processed only in dematerialised form. In view of the same and to get inherent benefits of dematerialisation, Members holding shares of the Company in physical form, are requested to kindly get their shares converted into dematerialised form. Members can contact Company's RTA at einward.ris@kfintech.com for assistance in this regard.

    Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only, while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company at https://corporate.apollotyres.com/investors/corporate-governance/#?activeTab=Others.

17. SEBI vide its Circular dated March 16, 2023 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

    In terms of above Circular, folios of physical shareholders wherein any one of the said details such as PAN, email address, mobile number, bank account and nomination are not available, shall be frozen with effect from October 1, 2023 and such physical shareholders will not be eligible to lodge grievances or avail service requests from the RTA of the Company and will not be eligible for receipt of dividend in physical mode until the said details are furnished.

    Further, shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988.

18. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/ mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc. to their Depository Participant ("DP") in case the shares are held in electronic form and to the Company's Registrar and Share Transfer Agent at einward.ris@kfintech.com in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document.

19. 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's RTA.

20. Those Members who have so far not encashed their dividend warrants for the financial year from FY16 to FY22, 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 FY16 is September 9, 2023.

    In accordance with Section 124 (6) of the Companies Act, 2013 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 IEPF Authority. 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. The unclaimed or unpaid dividend which have already been transferred or the shares which were transferred can be claimed back by the Members from IEPF Authority, by making an online application, the details of which are available at 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 Rules.

21. AGM shall be convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with Circulars.

22. 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.

23. The Scrutinizer shall submit 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.

24. 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) and on the website of NSDL (www.evoting.nsdl.com) immediately after the result is declared by the Chairman.

25. 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.

26. 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.

27. All documents, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's RTA, KFin Technologies Limited, at the address mentioned below:

    KFin Technologies 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
    Website: www.kfintech.com

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

I. 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 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.

II. The remote e-Voting period begins on Sunday, July 30, 2023 at 10:00 A.M. and ends on Tuesday, August 1, 2023 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 cut-off date i.e. Wednesday, July 26, 2023 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 Wednesday, July 26, 2023. Once the e-Vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. Those Members who will be participating in the AGM through VC facility and have not cast their vote on the resolutions through e-Voting prior to AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM. Members may follow the same procedure for e-Voting during the AGM as mentioned below for e-Voting.

IV. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend and participate in the AGM through VC, but shall not be entitled to cast their e-Vote again.

V. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. July 26, 2023 may follow the same instructions for e-Voting.

The instructions for e-Voting are as under:

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.

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

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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **'Beneficial Owner'** icon under **'Login'** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **'Access to e-Voting'** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **'Register Online for IDeAS Portal'** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. 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. 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 hold 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 Company name or **e-Voting service provider i.e. NSDL** 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.

	4. Shareholders/ Members can also download NSDL Mobile App "**NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting service providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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. Upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL 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 above mentioned 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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 -2499 7000.
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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.

   b) '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on 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 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 the Company 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 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. to the Scrutinizer by e-mail to tenrosekochi@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on **'Upload Board Resolution/ Authority Letter'** displayed under **'e-Voting'** tab in their login.
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 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 or call on: 022 – 4886 7000 and 022 – 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in.

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

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 einward.ris@kfintech.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 einward.ris@kfintech.com. If you are an Individual Shareholder 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 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.

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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members 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 meeting'** menu against Company name. You are requested to click on VC link placed under Join 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. As the AGM is being conducted through VC, Members are encouraged to express their view/ send their queries in advance mentioning their name, DP ID and Client ID/ Folio No., e-mail ID, mobile number at investors@apollotyres.com to enable smooth conduct of proceedings at the AGM. Questions/ Queries received by the Company on or before Wednesday, July 26, 2023 on the aforementioned e-mail ID shall only be considered and responded during the AGM or replied by the Company suitably.
6. 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 to investors@apollotyres.com on or before Wednesday, July 26, 2023. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

By Order of the Board
For Apollo Tyres Ltd

SEEMA THAPAR
Company Secretary
FCS No.: 6690

Place: Amsterdam
Date : May 9, 2023

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

Item No. 5

The Board at its meeting held on May 9, 2023, on the recommendation of the Audit Committee, has 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 2023-24 at remuneration of ₹3.60 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 as 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 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. 5 as an Ordinary Resolution for your consideration and ratification.

Item No. 6

The Members of the Company at their Annual General Meeting held on July 11, 2022 had approved the continuation of Mr. Onkar Kanwar as Non-Executive Director designated as Chairman of the Company with effect from February 1, 2023.

The Board of Directors at their meeting held on August 12, 2022, on the request received from Mr. Onkar Kanwar, had approved the fixation of tenure of Mr. Onkar Kanwar, Non-Executive Director designated as 'Chairman' for a period of 5 years with effect from February 1, 2023 till January 31, 2028 (both days inclusive) subject to approval of the Members of the Company in due course.

Accordingly, the aforesaid fixation of tenure of Mr. Onkar Kanwar is required to be approved by the Members of the Company. All other terms and conditions relating to continuation of Mr. Onkar Kanwar as Non-Executive Director designated as Chairman of the Company as approved by the Members of the Company at the Annual General Meeting held on July 11, 2022, shall remain unchanged.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Onkar Kanwar, himself and Mr. Neeraj Kanwar, being his relative, is concerned or interested (financial & otherwise) in the resolution.

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

Item No. 7 & 8

The Members of the Company through Postal Ballot held on December 20, 2018 had re-appointed Mr. Neeraj Kanwar as Managing Director of the Company for a period from May 28, 2019 to March 31, 2024. The present tenure of Mr. Neeraj Kanwar, Vice Chairman and Managing Director expires on March 31, 2024.

As recommended by the Nomination and Remuneration Committee, Board of Directors in its meeting held on May 9, 2023, has approved the re-appointment of Mr. Neeraj Kanwar, Vice Chairman and Managing Director of the Company for a period of 5 years w.e.f. April 1, 2024 to March 31, 2029 (both days inclusive) on revised terms and conditions including the remuneration, subject to the approval of the Members of the Company and Central Government, if required, in recognition of his key achievements as Managing Director of the Company, outlined below:

- Mr. Neeraj Kanwar played a pivotal role in Apollo Tyres' journey towards becoming one of the most admired automotive tyre brands. He had pioneered key initiatives in enhancing the competitiveness of the Company's operations and products across the board.
- He was responsible for crafting Apollo Tyres' growth story -- taking the Company from US$ 450 million to over US$ 3.0 billion.
- He was responsible for laying out the Vision FY26 for the Company with a sharp focus on Profitability and Return on Capital. Under his leadership, the Company has been outperforming the Indian peers in the last few years on key financial parameters. With Company's focus on key financial parameters, he has been instrumental in creating significant shareholder value.
- Under his able leadership, the Company expanded its global footprints by acquiring Dunlop Tyres International in South Africa and Zimbabwe, Vredestein Banden B.V. in the Netherlands, and setting up of a Greenfield facility in Hungary -- thereby transforming itself into a multi-geography Company with operations across the globe. The Company also started greenfield plant in India.
- In India, he has played a pivotal role in Apollo Tyres becoming a full-range player, gaining significant ground in commercial vehicle and passenger car tyre segments. Among the tyre players in India, the Company was the highest spender on R&D which had paid handsome dividends in terms of achieving leadership in truck-bus radial tyres and passenger vehicle tyres.
- His continued push on R&D had led to the establishment of two global R&D Centres for the Company – in Enschede, the Netherlands and in Chennai, India, where a team of 350+ scientists are developing category leading products.

- Association with Manchester United Football Club, and other tie ups in India, which had helped build the Company's brands globally.
- Under his able leadership, the Company had been able to establish a significant presence in India and Europe and now has made an entry in the North American market. The product portfolio strategy had helped the team to quickly establish its mark in the North American market.
- Given the focus on sustainability and led by Mr. Neeraj Kanwar, Apollo Tyres had become the first Company in the Indian automotive sector to get ISO 20400:2017 Sustainable Procurement standard certification. Under his leadership and focus on sustainability, the Company has seen a big improvement in our CDP Climate Change rating to 'B' from 'D.'
- As part of the Company's digital strategy to implement Industry 4.0, the Company had opened a Digital Innovation Centre (DIC) in London and announced the launch of another DIC in India. Both these hubs would use new age technologies like IoT, Cloud Computing, Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA) to help develop and deliver new business models and market leading customer service.
- In 2023, the Company's two offices in London and Singapore were named as the 'Top Employers' by the Top Employer Institute (TEI). TEI is the global authority on recognising excellence in people practices.

The terms and conditions of re-appointment are detailed below:

1. Salary: ₹41.10 lakhs per month with suitable annual increases at such rate as may be determined by the Board of Directors of the Company (which expression shall include a Committee thereof) from time to time, commensurate with average percentile increase in the remuneration of employees at one level below the Board of Directors.
2. Perquisites, Allowances & Other Benefits: Mr. Neeraj Kanwar shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, society charges and property tax, servant salary, medical reimbursement, medical/ accident insurance, leave travel concession, club fee and such other perquisites and allowances as may be allowed under the Company's policies/ schemes and restricted to an amount not exceeding 200% of annual salary.
3. Profit Linked Commission: An amount as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to a ceiling of 4.0% of the Net Profit of the Company as per Section 198 of the Companies Act, 2013 on overall annual remuneration (incl. Salary, Perquisites, Allowances & Other Benefits) payable to Mr. Neeraj Kanwar.
4. Amenities:

    i) Communication facilities: The Company shall provide appropriate telephone, including cellular phone, telefax, internet and other communication facilities to Mr. Neeraj Kanwar at his residence for discharging his functions effectively.

    ii) The Company shall provide office space required by Mr. Neeraj Kanwar either at his residence or any other convenient place for discharging his official duties along with the required office support facilities.

    iii) Mr. Neeraj Kanwar shall be entitled to official travel for himself and his family, if considered expedient to accompany him in the Company's interests, during domestic and/ or overseas business trips as per Company's policy.

5. Other Benefits:

   i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites. Gratuity payable shall be in accordance with the rules of the Company.

   ii) Encashment of leave at the end of the tenure, in accordance with the rules of the Company, if any, will not be included in the computation of the ceiling on perquisites.

   iii) Provision of chauffeur driven car(s) for use on Company's business.

   iv) Housing, education and medical loan and other loan facilities as applicable in accordance with the rules of the Company.

   v) Payment/ reimbursement of membership fee & expenses of credit card(s) as may be required for incurring official expenses while discharging his duties.

6. Mr. Neeraj Kanwar shall also be entitled to reimbursement of entertainment expenses incurred in the course of business of the Company.

7. The above remuneration payable to Mr. Neeraj Kanwar is subject to the condition that the total remuneration shall be within the permissible limits under Section 197 of the Companies Act, 2013, or any amendment thereto or any other provisions as may be applicable.

8. Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances in accordance with Section II of Part II of Schedule V of the Companies Act, 2013, to Mr. Neeraj Kanwar as minimum remuneration, subject to other compliances of Schedule V of the Companies Act, 2013.

   Pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if the annual remuneration payable to such Executive Director exceeds ₹5 crore or 2.5% of the net profits of the Company, whichever is higher.

   The copies of the resolutions passed at the Nomination and Remuneration Committee meeting and the Board of Directors meeting held on April 27, 2023 and May 9, 2023 respectively, are open for inspection by the Members in electronic mode till the AGM.

   The Company has received from Mr. Neeraj Kanwar:

   (i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (1) and (2) of Section 164 of the Companies Act, 2013.

   (ii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

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 Key Managerial Personnel of the Company or their relatives, except Mr. Neeraj Kanwar, himself and Mr. Onkar Kanwar, being his relative, is concerned or interested (financial & otherwise) in the resolutions.

The Board of Directors recommends resolutions, set out at item no 7 as an Ordinary Resolution and item no 8 as a Special Resolution, for your consideration and approval.

Item No. 9 & 10

The Members of the Company at the AGM held on July 31, 2019 had appointed Mr. Satish Sharma as the Whole-time Director of the Company for a period of 5 years from April 1, 2019 to March 31, 2024. The present tenure of Mr. Satish Sharma, President (APMEA) & Whole-time Director expires on March 31, 2024.

As recommended by the Nomination and Remuneration Committee, Board of Directors in its meeting held on May 9, 2023, has approved the re-appointment of Mr. Satish Sharma, President (APMEA) & Whole-time Director of the Company for a period of 5 years w.e.f. April 1, 2024 to March 31, 2029 (both days inclusive) on revised terms and conditions including the remuneration, subject to the approval of the Members of the Company.

The terms and conditions of re-appointment are detailed below:

1. Salary: ₹ 28.85 lakhs per month (approx.) with suitable annual increases at such rate as may be determined by the Board of Directors of the Company (which expression shall include a Committee thereof) from time to time, commensurate with average percentile increase in the remuneration of employees at one level below the Board of Directors.

2. Perquisites, Allowances & Other Benefits: Mr. Satish Sharma shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for furnishings, repairs & driver salary, medical reimbursement, medical/ accident insurance, leave travel concession, club fee and such other perquisites and allowances as may be allowed under the Company's policies/ schemes and restricted to an amount not exceeding 200% of annual salary.

3. Performance Linked Bonus/ Commission: An amount of ₹21.63 lakhs per month or such other amount as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to ceiling of 1.5% of the Net Profit of the Company as per Section 198 of the Companies Act, 2013 on overall annual remuneration (including Salary, Perquisites, Allowances & Other Benefits) payable to Mr. Satish Sharma as per Company's policy.

4. Amenities:

    i) Communication facilities: The Company shall provide appropriate telephone, including cellular phone, telefax, internet and other communication facilities to Mr. Satish Sharma at his residence for discharging his functions effectively.

    ii) The Company shall provide office space required by Mr. Satish Sharma either at his residence or any other convenient place for discharging his official duties along with the required office support facilities.

    iii) Mr. Satish Sharma shall be entitled to official travel for himself and his spouse, if considered expedient to accompany him in the Company's interests, during domestic and/ or overseas business trips as per Company's policy.

5. Other benefits:

    i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites. Gratuity payable shall be in accordance with the rules of the Company.

ii) Encashment of leave at the end of the tenure, in accordance with the rules of the Company, if any, will not be included in the computation of the ceiling on perquisites.

iii) Provision of car(s) for use on Company's business.

iv) Housing, education and medical loan and other loans facilities as applicable in accordance with the rules of the Company.

v) Payment/ reimbursement of membership fee & expenses of credit card(s) as may be required for incurring official expenses while discharging his duties.

6. Mr. Satish Sharma shall also be entitled to reimbursement of entertainment expenses incurred in the course of business of the Company.

7. The above remuneration payable to Mr. Satish Sharma is subject to the condition that the total remuneration shall be within the permissible limits under with Section 197 of the Companies Act, 2013, or any amendment thereto or any other provisions as may be applicable.

8. Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as the minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013, to Mr. Satish Sharma, subject to other compliances of Schedule V of the Act.

Mr. Satish Sharma aged 55 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 the Institute of Management Technology, Ghaziabad. He is a Member of the Institute of Engineers, Indian Rubber Institute and All India Management Association (AIMA). He is the past Chairman of Automotive Tyre Manufacturers' Association (ATMA). As President (APMEA) of Apollo Tyres, Mr. Satish Sharma guides strategy and oversees the entire operations of Asia Pacific, Middle East and Africa (APMEA) including India operations. As a member of the Company's Board of Directors, he is a man who prefers taking challenges head-on. His eye for new products and market strategies has contributed consistently to the Company's progression. Known for his exceptional leadership qualities, he continues to mentor and coach business units within the organisation.

Mr. Satish Sharma was first appointed on the Board on April 1, 2019. Mr. Satish Sharma is also a Director of Apollo Tyres (Thailand) Limited and Apollo Tyres (Malaysia) Sdn. Bhd. He has not resigned from any listed Company during the past three years.

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 does not have inter-se relationship with any other Director and Key Managerial Personnel 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 5 meetings of the Board during FY23.

The Company has received from Mr. Satish Sharma:

(i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (1) and (2) of Section 164 of the Companies Act, 2013.

(ii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

Mr. Satish Sharma has drawn a remuneration of ₹9.97 crores for FY23 and the terms and conditions of re-appointment along with details of remuneration sought to be paid are mentioned above in the explanatory statement.

The copies of the resolutions passed at the Nomination and Remuneration Committee meeting and the Board of Directors meeting held on April 27, 2023 and May 9, 2023 respectively, are open for inspection by the Members in electronic mode till the AGM.

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

This explanatory statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Council of the Institute of Company Secretaries of India.

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

The Board of Directors recommends the resolutions, set out at item no. 9 & 10 as Ordinary Resolutions, for your consideration and approval.

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

Item No. 3

Mr. Francesco Gori, aged about 71 years, holds a degree in Economics from Universita 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 previous 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.

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

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

He has not resigned from any listed entity during the past three years.

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

He has attended 5 meetings of the Board during FY23.

The Company has received from Mr. Francesco Gori:

(i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (1) and (2) of Section 164 of the Companies Act, 2013.

(ii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

He is entitled for the sitting fees for attending the Board/ Committee Meetings and the commission, as per the applicable provisions of Companies Act, 2013 including rules related thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in accordance with the criteria for payment to Non-Executive Directors as approved by the Board. Mr. Francesco Gori is entitled to a remuneration of ₹5.36 million as commission, as approved by the Board, for FY23.

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

Item No. 4

Mr. Vishal Mahadevia, aged 50 years is currently the Managing Director, Head of India, and member of the Executive Management Group at Warburg Pincus. Prior to joining Warburg Pincus in 2006, he was a Principal at Greenbriar Equity Group, a fund focused on private equity investments in the Transportation sector. Prior to that, he worked at Three Cities Research, a New York-based private equity fund and as a consultant with McKinsey & Company. He has received a B.S. in Economics with a concentration in Finance and a B.S. in Electrical Engineering from the University of Pennsylvania.

He was first appointed on the Board of the Company on August 21, 2020.

He is on the Board of the following other Companies:-

Sl. No.	Name of the Company	Designation
1	IDFC First Bank Limited	Non-Executive Non-Independent Director
2	Warburg Pincus India Private Limited	Managing Director
3	Micro Life Sciences Private Limited	Director

He is a not a member of any Committee of the Company. However, he is a member of Committees in the following other Companies: -

Sl. No.	Name of the Company	Name of the Committee	Position
1	Warburg Pincus India Private Limited	Corporate Social Responsibility Committee	Chairman
2	IDFC First Bank Limited	(i) Nomination and Remuneration Committee (ii) Credit Committee (iii) Capital Raise and Corporate Restructuring Committee	Member Member Member

He has not resigned from any listed entity during the past three years.

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

He has attended 5 meetings of the Board during FY23.

The Company has received from Mr. Vishal Mahadevia:

(i) Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (1) and (2) of Section 164 of the Companies Act, 2013.

(ii) An undertaking that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

He is entitled for the sitting fees for attending the Board/ Committee Meetings and the commission, as per the applicable provisions of Companies Act, 2013 including rules related thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in accordance with the criteria for payment to Non-Executive Directors as approved by the Board. However, Mr. Vishal Mahadevia has surrendered the remuneration payable to him as Non-Executive Director of the Company for FY23.

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

Item No. 7

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 as Joint Managing Director in 2006 and elevated to Vice Chairman in 2008, and soon after to 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 enable them to undertake effective and efficient decisions at all times. Within Apollo Tyres, 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.

Mr. Neeraj Kanwar, aged 51 years, was first appointed to the Board on May 28, 1999. He has drawn a remuneration of ₹28.41 crores for FY23. The terms and conditions of his re-appointment along with details of remuneration sought to be paid are mentioned in the explanatory statement.

Mr. Neeraj Kanwar is on the Board of the following other Companies:-

Sl.No.	Name of the Company	Designation
1	PTL Enterprises Ltd.	Director
2	Sunlife Trade Links Pvt. Ltd.	Director
3	Artemis Medicare Services Ltd.	Director
4	Apollo Tyres (NL) B.V.	Director (Supervisory Board)
5	Apollo Tyres (Hungary) Kft	Director (Supervisory Board)
6	Apollo Tyres (UK) Holdings Ltd.	Director
7	Apollo Tyres (London) Pvt. Ltd.	Director

He is a member of Business Responsibility and Sustainability Committee of the Company. He is also a member of Committees in the following other Companies: -

Sl.No.	Name of the Company	Name of the Committee	Position
1	PTL Enterprises Ltd.	(i) Stakeholders Relationship Committee (ii) Audit Committee	Member Member
2	Artemis Medicare Services Ltd.	Audit Committee	Member

He has not resigned from any listed entity in the past three years. He has attended 5 meetings of the Board during FY23.

He is holding 671,380 shares in the Company. He is not holding any shares as a beneficial owner for any other person.

Except with Mr. Onkar Kanwar, being his father, he does not have inter-se relationship with any other Director and Key Managerial Personnel of the Company.

Item No. 9

For details of Mr. Satish Sharma, please refer item no. 9 of the explanatory statement of this notice.

By Order of the Board
For Apollo Tyres Ltd

SEEMA THAPAR
Company Secretary
FCS No.: 6690

Place: Amsterdam
Date : May 9, 2023

APOLLO TYRES LTD

Those who changed history, changed it by going the distance.

ANNUAL REPORT
2022-23

At a Glance

₹ 245.68 Bn
Consolidated Revenue

₹ 11.05 Bn
Net Profit

₹ 33.14 Bn
Operating Profit

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects and so on and are generally identified by forward-looking words such as 'believe,' 'plan,' 'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances, or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether because of new information, future events, or otherwise.

Navigating this Report

Our history has been shaped by our ambition to go the distance, challenge the status quo and rewrite the rules of the business. We have always had our own share of challenges, but the vision to make a difference and drive progress together prevailed.

Our performance during FY23 across core markets of the world was largely in line with expectations, and we are well positioned to leverage opportunities with a capex-light growth model.

With a stronger balance sheet, better operating leverage and a sharper focus on capital allocation and cost structure, we are making progress on several fronts — from product differentiation, foraying into new markets to brand building, R&D investments and capacity optimisation. We are also deeply committed to achieving sustainability across the value chain.

Corporate Factsheet

About Apollo Tyres

With a foundation laid in 1972, we have continually transformed ourselves to stay at the forefront of the industry. Embracing cutting-edge technologies and adopting globally acclaimed practices, we are among the trusted and renowned global brands in tyre manufacturing and sales. Our commitment to excellence enables us to lead the market and deliver exceptional value to our valued customers, investors, and stakeholders.

We rank among the world's top-tier tyre manufacturers and have been recognised for our environmental and social initiatives. We have articulated a strong commitment towards ESG.

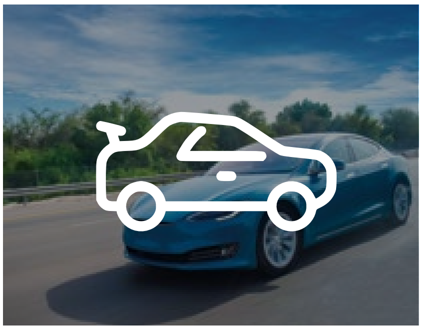
Our Brands and its varying range

We cater to specific consumer segments through our key brands, Apollo and Vredestein.

Segments

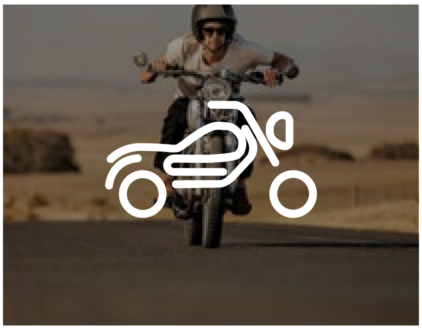
Trucks and buses

Light trucks



Passenger vehicles

Off-highway vehicles



Two-wheelers

Apollo Tyres

The Apollo brand is the preferred choice of tyres for global and Indian original equipment automobile players. Our products are available across all categories, including commercial, passenger vehicles, two-wheelers, farm and industrial.

Vredestein Tyres

The century-old premier first-class brand has refined the art of tyre innovation and performance. Our products include car tyres, tyres for agricultural and industrial applications and bicycle tyres.

Corporate Factsheet

Our Presence

As a global leader in tyre manufacturing, we proudly supply high-quality tyres under Apollo and Vredestein brands to over 100 countries worldwide. Our advanced manufacturing facilities, significant investments in research and development, and wide distribution network of branded and exclusive outlets have propelled us to become a truly global enterprise.

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**
5. Chennai - **Tamil Nadu**

*Map not to scale

Strong Presence

7
Manufacturing Facilities across India and Europe

100+
Countries Served

Innovation Prowess

2
Global R&D Centres

28
Patent Applications filed in FY23

200+
Active Patents have been granted across geographies

12
Design Registrations filed in FY23

210+
Design Registrations have been granted across geographies

Corporate Identity

Vision

Driving Progress, Together

We believe that global vision is nothing without local knowledge, so we continue to bring people together and foster an inclusive culture. By doing so, we can power innovation that transports both our business and society forward.

Purpose

Enabling Excellence

At Apollo Tyres, we work to make excellence universally accessible. Every day, we connect people from across society to the tyres, tools and support they need to reach their potential.

Our Core Values

Following Our Passion

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

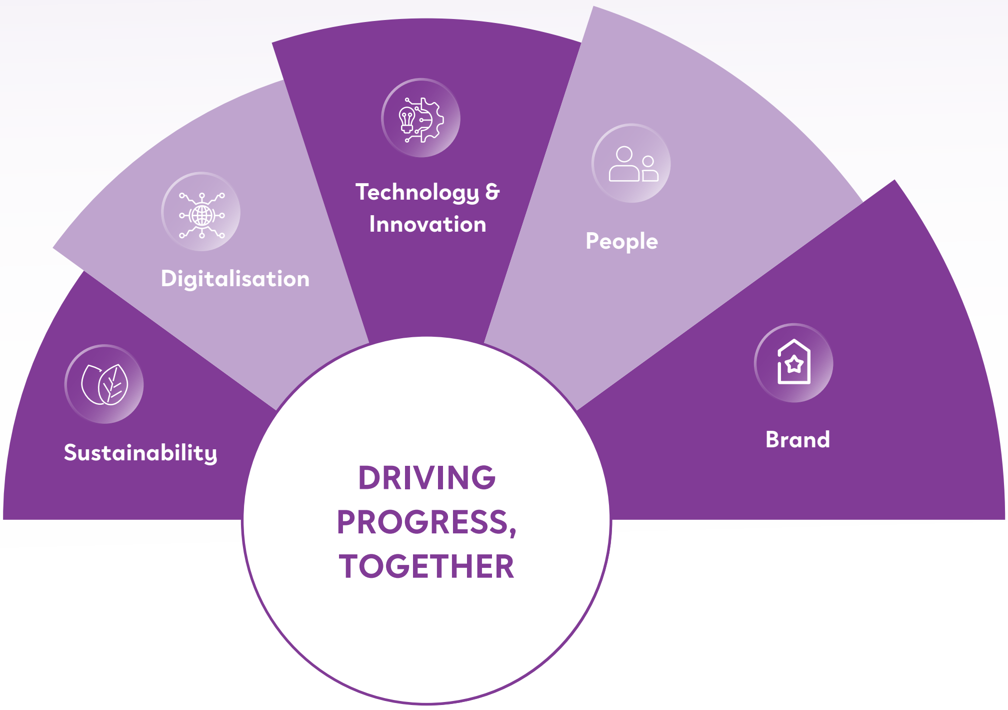
One Family

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

Taking Responsibility

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

Our Key Enablers



Apollo Milestones in FY23...

Delivering our Best

Brand

Apollo Tyres recorded sales of 10 million Apollo Endurace LD

The Company achieved a milestone for its flagship CV product, Endurace LD, posting sales of over 10 million units since its inception in 2010.

Apollo Tyres announced its entry into the fleet market in the US with the new line-haul truck tyres

The Company announced its official entry into the fleet market in the United States, unveiling a new offering of line-haul tyres at the TMC Expo in Orlando, Florida.

Focus on Bangladesh

Apollo Tyres inaugurated its new office with sales and service teams to cater to the customer base in Dhaka, Bangladesh and launched Apollo Apterra AT2 for the growing SUV segment, and Apollo Endutrax MA for the CV segment.

Apollo Tyres launched All-Terrain Vredestein Pinza in Europe

Apollo Tyres introduced its first dedicated all-terrain tyre: the Vredestein Pinza in Europe. The result of a five-year global research and development programme, the Pinza has been designed to be the most capable off-road Vredestein tyre ever, while at the same time offering superior standards of on-road grip, traction, rolling resistance and refinement.

Vredestein Pinza All Terrain tyres introduced in India

The Company introduced the dedicated and premium tyres for SUVs in India, Vredestein Pinza AT. These tyres, with all weather grip and excellent stability, are comfortably rugged and deliver quieter rides.

Vredestein launched new Pinza HT tyres in United States

In our quest to continue to offer wide range of products to the North American market, Vredestein Tyres announced the launch of its new Pinza HT line of tyres in FY23. The newest addition to the highly successful Vredestein Pinza family, the Pinza HT is Vredestein's highway all-season tyre designed for trucks, SUVs, and crossovers.

Launch of our Vredestein premium motorcycle tyres in Bangkok, Thailand

Apollo Tyres launched Vredestein premium motorcycle tyres in Bangkok, Thailand, strengthening its product offering in the ASEAN market. The two-wheeler tyres from the brand would cater to the growing superbiking segment in Thailand. The Vredestein Moto launch was held at the Motor Sport Park Suvarnabhumi (MSP) in FY23.

Sustainability

Apollo Tyres secured the prestigious ISO 20400 certification for Sustainable Procurement

Apollo Tyres became the first Company in the Indian automotive sector to get the ISO 20400 certification. The Company's raw material procurement process was successfully validated by a third party for ISO 20400:2017 Sustainable Procurement standard.

Launched 'Go The Distance' Pitch built with Repurposed Tyres

Underlining its initiative towards achieving Circular Economy, the Company launched 'Go The Distance' Pitch built with repurposed tyres at its manufacturing facility in Andhra Pradesh, India.

Apollo Milestones in FY23...

Sustainability

Apollo Tyres obtained good rating in CDP Carbon Disclosure Assessment

Our journey towards embedding Sustainability in everything we do at Apollo Tyres was recognised externally in the CDP Climate Change assessment. Apollo Tyres achieved significant improvement in the CDP Climate Change disclosure score from level D to level B in FY23.

Our Sustainability Commitments

- Reduce Scope 1 emission intensity by 25% in FY26 compared to baseline year FY20.
- Reduce Scope 2 emission intensity by 35% in FY26 compared to baseline year FY20.
- Improve water withdrawal intensity by 25% in FY26 compared to baseline year FY19.
- Use 40% Sustainable Materials [10% Recycled Materials and 30% Biobased materials] by 2030.
- Sourcing 30% of total power usage from Renewable sources by FY26.

Digitalisation

Apollo Tyres launched Digital Innovation Hub in UK

Apollo Tyres announced the launch of its Digital Innovation Hub in London. As part of the Company's digital strategy to implement Industry 4.0, the Innovation Hub will use Artificial Intelligence and Machine Learning technologies to solve complex manufacturing problems, focussed on improving the efficiency, quality, and sustainability of its manufacturing practices.

Launched Digital Innovation Centre in Hyderabad

Apollo Tyres in partnership with the Telangana Government announced the launch of a Digital Innovation Centre in Hyderabad to work in areas like Industry 4.0, IoT, AI/ML, Digital Twins, Block Chain and Cloud Computing. This is the second Digital Innovation Centre for Apollo Tyres, with the first being in London.

Digitalisation

Launched Apollo FIT

The Company rolled out Apollo FIT (Fleet Inspection Tool) – a mobile application enabled with Bluetooth NSD gauge in FY23. This tool will support the Fleet Management team with the capability to capture various parameters of tyres under service, which will help it in various aspects of performance metrices and opportunities for continuous product improvements.

Launch of SAP Rise

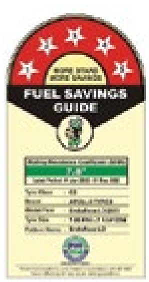
As part of our Digitalisation journey, the Company successfully migrated SAP and other support systems to the AWS Cloud under the SAP offering - RISE.

Technology & Innovation

Apollo Tyres launched Vredestein Flotation Optimall: A VF Trailer tyre for optimum soil preservation

Apollo Tyres introduced a new Vredestein VF Flotation tyre developed to better preserve the soil underneath heavy slurry tankers and agricultural trailers. The new Vredestein Flotation Optimall is a premium tyre solution that raises the bar in terms of soil preservation, grassland-friendliness and self-cleaning.

Apollo Tyres received 5-star rating for tyres



As India initiates the journey towards 'star rating' of tyres in the country, Apollo Tyres became the first Company to be awarded with 5 stars for its Apollo brand of light truck radials from the Bureau of Energy Efficiency (BEE). For Passenger Car Tyres, 'Amperion' bagged the 5-star rating after evaluations as per the new regulations.

Apollo Milestones in FY23...

Technology and Innovation

Apollo Tyres launched new gen agri tyres, VIRAT

Apollo Tyres launched the new generation Agriculture tyres, 'VIRAT' range in the presence of farmers and the business partners in Chandigarh, India. 'VIRAT' range is an allrounder, with superior performance in both Agri and Haulage segments, and is available in both, front and rear fitments.

Inaugurated Advanced R&D Tyre Testing facility in India

Apollo Tyres inaugurated an Advanced Tyre Testing facility, which is housed at its Global R&D Centre, Asia in Chennai, India. The new facility helps in fine tuning the performance of the products by simulating closely to the real-world conditions.

Apollo Tyres launched its first dedicated Micro-Mobility tyre – The Vredestein Cargo

Apollo Tyres announced the launch of its first dedicated micro-mobility tyre, the Vredestein Cargo. Developed specifically for electrically assisted cargo bikes used for urban deliveries, the new tyre made its debut at Eurobike 2022 in Frankfurt, Germany.

People

Great Place To Work Certification

Apollo Tyres has been re-certified as a Great Place To Work by the Great Place To Work® Institute. This year's certification holds special significance as for the first time, each employee of Apollo Tyres (India) was invited for the survey and more than 5,000 employees participated, earning our Company this acclaimed certification.

Apollo Tyres featured in ET Now's Finest Workplaces

Apollo Tyres was featured in ET Now's 'India's Finest Workplaces' - a series that highlights organisations' work environments and best practices adopted to improve the work culture.

Apollo Tyres launched EV specific tyres for passenger cars and two-wheelers

Apollo Tyres introduced specific tyres for electric vehicles (EVs) for both, passenger vehicles and two-wheelers. Apollo Amperion range of tyres for the PV segment, whereas Apollo WAV range for the two-wheelers, were launched for the Indian market.

Apollo Tyres launched new range of Tramplr series of Enduro tyres for premium motorcycles

Apollo Tyres introduced the Tramplr range of Enduro Off-road and Enduro Street tyres for Indian premium motorcycles market (150 – 500 cc). Tramplr range will cater to various motorcycle segments like Sport Touring, Adventure Touring, Cruisers and Street Sports, which constitutes around 20% of the overall motorcycle market in India.

Apollo Laureate Programme

The very first cohorts of the Apollo Laureate programme graduated from their 12-month journey in FY23. Aligned with our value of 'One Family,' we ensure that we provide best-in-class learning and development opportunities to our people. Apollo Laureate Leadership Development programme is one such platform which focusses on creating a Laureate talent pipeline and ensures that the identified leaders of tomorrow strengthen Apollo leadership competencies and unleash their full potential, positively impacting business outcomes.

Top Employers in Singapore and the UK

Apollo Tyres was certified as a Top Employer 2023 in both Singapore and the UK for its best-in-class HR policies and people practices.

Awards and Accolades in FY23...

Recognised for Excellence

Deming Prize

Apollo Tyres' manufacturing facility in Chennai, India received the prestigious Deming Prize for achieving outstanding performance by practicing Total Quality Management, utilising statistical concepts and methodologies based on the Company's excellent business philosophy and leadership.

Compliance Team 2022 Award

Apollo Tyres received the Compliance Team 2022 Award by Legasis Services and Bombay Stock Exchange for demonstrating excellence in executing the Compliance framework.

Green Champions Award

Apollo Tyres' manufacturing facility in Chennai received the Green Champions Award by the Government of Tamil Nadu, India for its exceptional contribution in the areas of Environment Protection and Sustainability, Awareness on Water Conservation, Scientific Management of Solid Waste, Biodiversity Conservation and Sanitation.

Good Design Awards

Apollo Tyres received the Good Design Awards in the Transportation category for its Vredestein products - Pinza HT and Pinza AT All Terrain Tyres by Chicago Athenaeum: Museum of architecture and design and the European Centre for Architecture Art Design and Urban Studies.

SEEM National Energy Management Award (SNEMA)

Apollo Tyres' manufacturing facilities in Perambra and Kalamassery in Kerala, India won the prestigious 'SEEM National Energy Management Award (SNEMA)' in Industries and Facilities (Tyres) category. The event was organised by Society of Energy Engineers and Managers (SEEM) and the award ceremony took place in Delhi, India.

'Safe Place To Work' Recognition

For the third year in a row, Apollo House, the Corporate Headquarters of Apollo Tyres was certified as a 'Safe Place to Work'.

CERTIFICATE OF RECOGNITION

THIS IS TO CERTIFY THAT

APOLLO TYRES LIMITED

Apollo House, 7 Institutional Area, Sector 32, Gurugram 122001, Haryana.

successfully complies with the 'Safe Place to Work' standards and will hence be recognised as a

SAFE PLACE TO WORK

This certificate is valid from 18th Feb 2023 to 17th Feb 2024

Audited by

Special Award for contribution in Tyre Sourcing and Development

Apollo Tyres bagged a Special Award for its contribution in Tyre Sourcing and Development at the VECV Annual Supplier Conference 2022. Volvo Eicher Commercial Vehicle (VECV) is a joint venture between the Volvo Group and Eicher Motors Limited. Apollo Tyres exports its range to over 34 countries and was recognised as an industry leader in driving modernisation in commercial transportation in India and the developing world.

ASSOCHAM WORKVISION 2022 HR Excellence Award

Apollo Tyres Global R&D Centre, Asia received the ASSOCHAM WORKVISION 2022 HR Excellence Award in the category of Effective Drivers of Recruitment, Engagement and Retention.

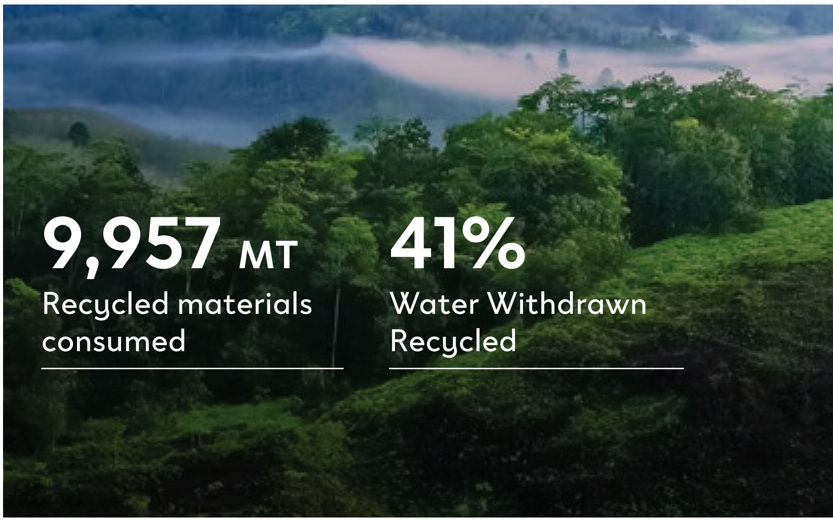
18th Indo-American Corporate Excellence (IACE) Awards 2022

Apollo Tyres won the 18th Indo-American Corporate Excellence (IACE) Award 2022 for significant contributions in boosting bilateral trade between India and the US.

Growing Sustainably, Acting Responsibly

People

Planet

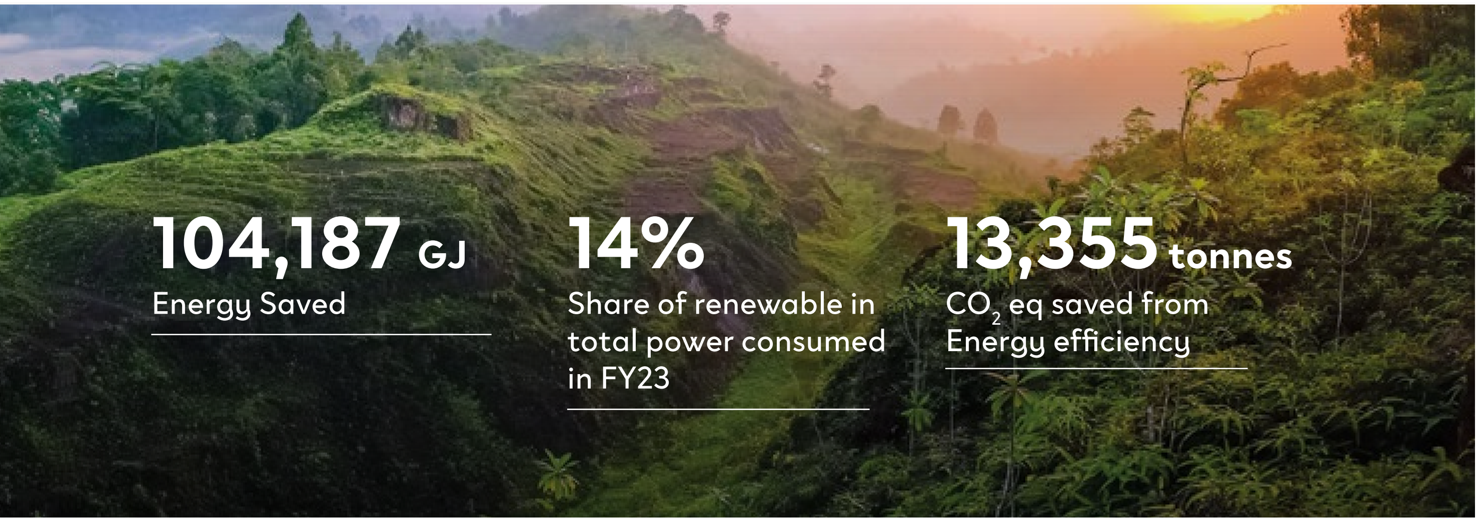


Profit

0.58
Loss Time Injury Frequency Rate (LTIFR)

1.49+ Mn
People reached through CSR initiatives

32
Healthcare centres established



104,187 GJ
Energy Saved

14%
Share of renewable in total power consumed in FY23

13,355 tonnes
CO_2 eq saved from Energy efficiency

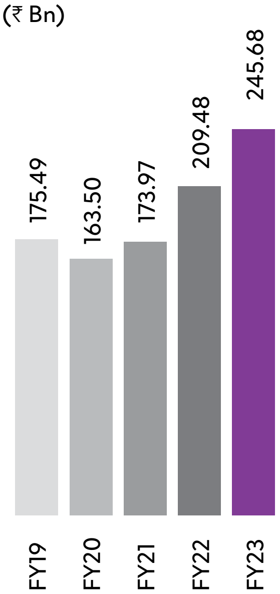
₹ 33,137 Mn
EBITDA

₹ 11,046 Mn
Net Profit

Unlocking Financial Potential

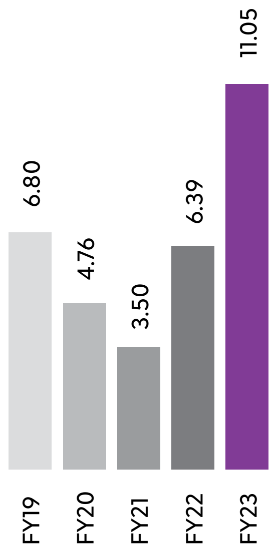
Revenue from operations

(₹ Bn)



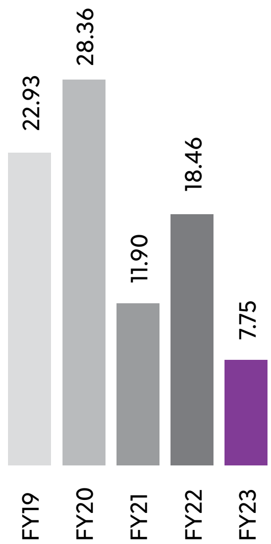
Net Profit

(₹ Bn)



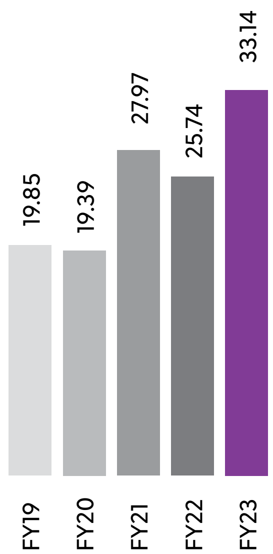
Capital expenditure outflow

(₹ Bn)



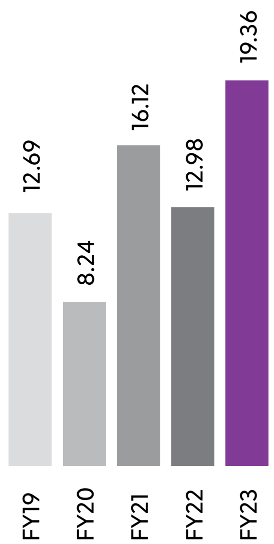
EBITDA (excluding other income)

(₹ Bn)



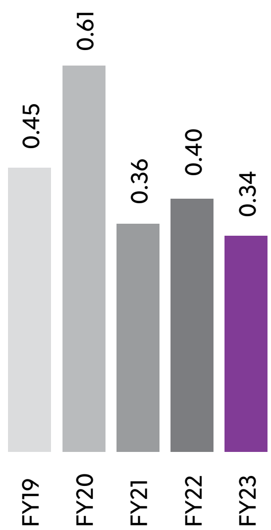
EBIT (including other income)

(₹ Bn)



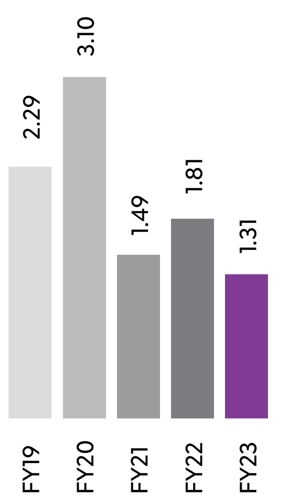
Net Debt / Equity

(Ratio)



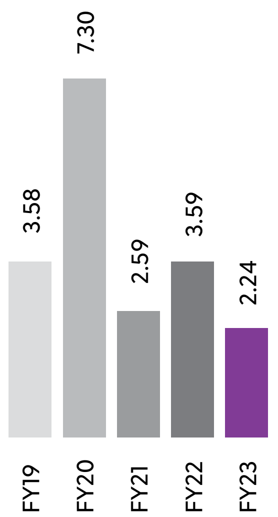
Net Debt/ EBITDA (excluding other income)

(Ratio)



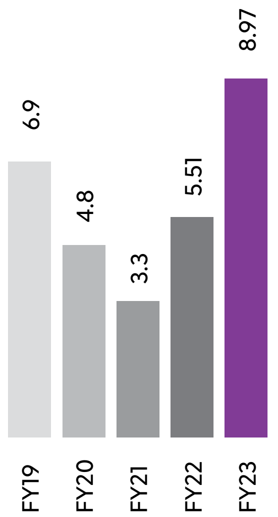
Net Debt/ EBIT (including other income)

(Ratio)



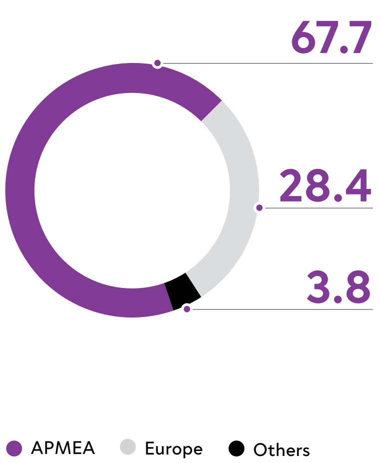
Return on equity

(%)



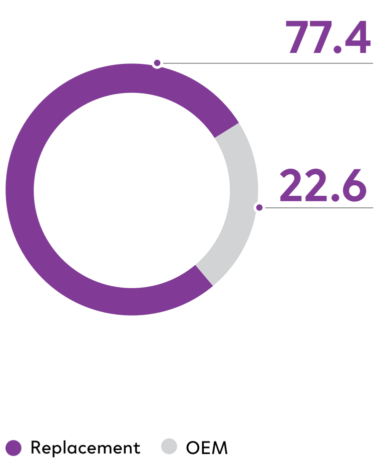
Revenue Segmentation by Geography

(%)



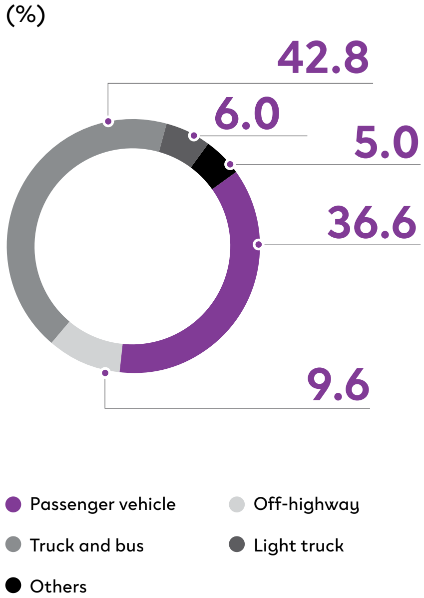
Revenue Segmentation by Customers

(%)

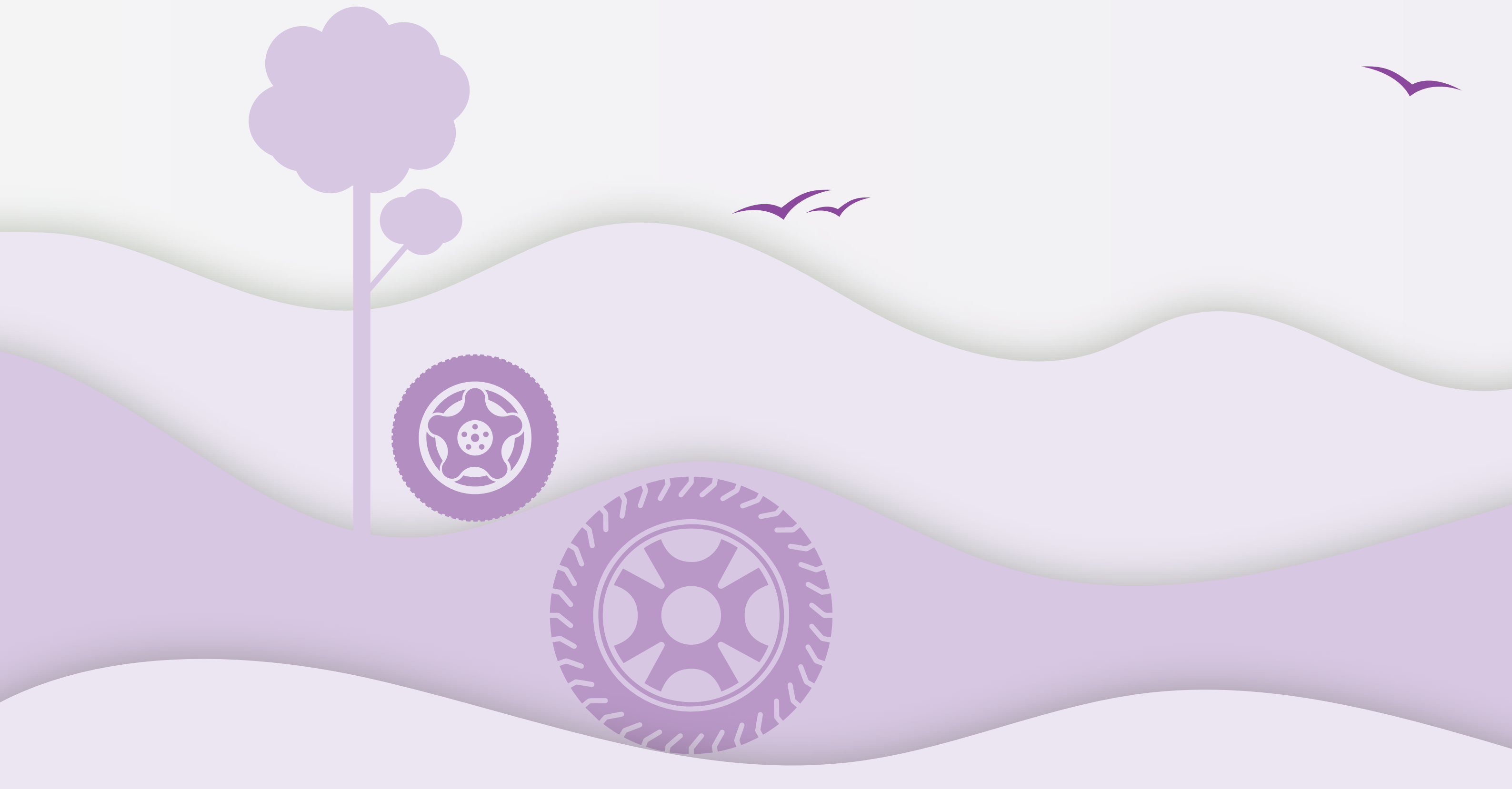


Revenue Segmentation by Products

(%)



Visionary Leadership; Translating Vision into Reality



From our Leadership

Apollo Tyres benefits from an experienced and accomplished Board of Directors, Management, and Governance Teams, who possess the expertise and vision to effectively navigate change and successfully achieve the Company's short, medium, and long-term goals. Their valuable insights and guidance contribute to the continued growth and success of Apollo Tyres.

Letter from Chairman

Dear Shareholders,

"Excellence is not a destination; it is a continuous journey that requires unwavering commitment."

– Brian Tracy

I am proud to announce that your Company has achieved remarkable financial results for the fiscal gone by. We grew more than 17% to close at ₹ 24,568 crores and crossed the $ 3 billion mark.

We had rolled out our vision - Driving Progress, Together – in FY22 along with our purpose – Enabling Excellence. Unwavering commitment coupled with consistency was the theme for Apollo Tyres in fiscal 2022-23... going the distance on our vision and progress.

As I reflect upon the past year, I am delighted to share with you the exceptional results achieved by your Company, demonstrating a steadfast pursuit of excellence. Despite the unprecedented challenges presented by a changing global landscape, we have not only weathered the storm but have also thrived.

Another area of our unwavering commitment has been the tremendous work happening on our growth pillars and you will read about the progress we made in these areas in the letter from the Vice Chairman & Managing Director.

I am proud to announce that your Company has achieved remarkable financial results for the fiscal gone by. We grew more than 17% to close at ₹ 24,568 crores and crossed the $ 3 billion mark. Both Indian Operations and European Operations' revenue grew 18% and 11% respectively (in INR terms). Despite the challenging demand scenario across geographies, I am delighted to say that our operations across India and Europe have done well, and importantly ahead of the market.

Time and again, I have mentioned that as a Company, we always strive for profitable growth by focusing on healthy top and bottom-line numbers. I am, time and again, validated by the examples of companies shutting down or filing for bankruptcy for burning cash while chasing growth at all costs. Hence, it is a constant pre-occupation for us to have a robust product mix, work continuously on price and product leadership and continuously invest in building the products brands – Apollo and Vredestein — to ensure healthy margins and profitability for the Company.

Our other pivot has been to nurture and invest in existing markets and seed new ones. Even as India continues to be a major market, we have made steady gains in Europe in terms of revenues, profitability, and market share and now ready to make gains in the North American market. The fiscal saw us introducing best-in-class products in all our markets. In fact, our US market saw a few big-ticket launches helping us gain a strong foothold in the largest tyre market of the world. We have recently signed an agreement with Canada's largest retailer of passenger car and light truck tyres to sell our premium Vredestein tyre brand.

> "We have received unending support from banks, financial institutions and National and state governments where we operate, which has allowed us to surpass the goals we had set for ourselves.

The final piece to our strategy has been a relentless focus on cost. We continue to keep an eye on good cost and bad cost, and this has seen a positive impact on our RoCE percentages. The other aspect of cost control is around enhancing manufacturing efficiencies across the organisation. With one of the growth pillars, digitalisation, focused on bringing in more efficiency by using the power of data science, I am confident that we will be a benchmark in the industry in terms of sweating our assets. Such manufacturing efficiency is the delta between a profitable and a losing organisation in this increasingly global industry.

Looking ahead, I think that setting targets is not a difficult thing. Importantly, achieving the stated future is what differentiates the 'Great' and 'Good' companies. The role of the top leadership at Apollo Tyres is to ensure that everyone is moving forward together, and I am confident that success will engender further progress. While this is not an easy task in a multi-cultural, multi-racial and diverse ecosystem, I take pride in saying that with our 'One Family' value system, we have managed to build a culture of taking on challenging tasks and progressing together to achieve goals.

In conclusion, I would like to thank each one of you, our valuable shareholders, for being our co-passengers on this journey. We have received unending support from banks, financial institutions and the various State and National Governments where we operate, which has allowed us to surpass the goals we had set for ourselves. On behalf of the Board of Directors, I would like to acknowledge every single employee, network partner and business partner for having stood by Apollo and actively contributed to its success.

Regards,

Onkar Kanwar

Onkar Kanwar
Chairman

Letter from VCMD

Dear Shareholders,

FY23 was a year where we continued to focus on our growth pillars — Digitalisation, Technology and Innovation, People, Brand and Sustainability — and worked around the year to further strengthen these areas by building capacity and capabilities.

First and foremost, I would like to share that our Chennai Plant, amongst the largest manufacturing facilities in Asia, was awarded the coveted Deming Prize, which is one of the highest awards on Total Quality Management (TQM). The Deming Prize is a testimony of our relentless effort and ability to deliver the best in terms of quality and experience to our customers. Further, you will find below a few highlights of the tremendous work done around each of these growth pillars.

Digitalisation

The fiscal year saw us making considerable progress in building the strong foundation for accelerated digitalisation. We are seeing initial success in our digital journey to implement Industry 4.0 in terms of efficiency improvement at our plants, re-aligning our supply chain processes and other productivity gains. We achieved end-to-end supply chain digitalisation between India and US. This has enabled us to connect supply chains across these markets in real time and will play a pivotal role in facilitating growth in the US market with supplies from India.

After setting up a Digital Innovation Centre (DIC) in London, partnering with the reputed Glasgow University, we also announced a Digital Innovation Centre in Hyderabad. Both the DICs will further support us with bringing new age technologies like IoT, Cloud Computing, Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA) and Block Chain to help develop and deliver new business models and market leading customer service.

Technology and Innovation

Since the early years, the Company has believed in being self-sufficient in its technology. We continued to invest to further strengthen our two global R&D Centres in India and the Netherlands. With over 350 plus people working in product development and over 200 patents filed on tyre technology, our R&D prowess has become a key differentiator for us.

During the year, we inaugurated an Advanced Global Tyre Testing Centre and will be using this for enhancing our effectiveness and efficiency for original equipment manufacturers (OEMs) and replacement projects. The year saw us become the first Company in India to introduce tyres with 5-star rating as we rolled out specific tyres for electric vehicles (EVs) for both, passenger vehicles and two-wheelers.

Also, we were the first Company to be awarded with 5 stars for our light truck radials in India. We continue to build on our technology leadership with the launch of Vredestein Quatrac Pro EV, Europe's first all-season tyre developed specifically for EVs and hybrids.

Like every year, we saw our products being ranked at pole position in multiple test results. Leading UK motoring magazine Auto Express has 'commended' Vredestein Quatrac and Vredestein Ultrac in its annual Product Awards, placing them ahead of many big-brand rivals. Going beyond performance, we have been designing good looking tyres and winning the Good Design Awards 2021 by the Chicago Athenaeum: Museum of architecture and design, the European Centre for Architecture Art Design and Urban Studies is a clear validation of this. We won two awards under the Transportation category for our Vredestein tyres — Pinza HT and Pinza AT All Terrain.

Brand

The year saw multiple actions in this growth pillar as we launched best-in-class products, celebrated milestones and added more OEMs in Europe.

We were selected to supply our tyres for Way truck ranges by Industrial Vehicles Corporation (IVECO) group, giving us a foothold in the European OEMs market in the truck and bus sector. Further, Volkswagen Commercial Vehicles selected our Vredestein Quatrac all-season tyres as original equipment for the new Caddy. We have been working closely with the Volkswagen Group as we supply Vredestein Ultrac and Sportrac 5 summer tyres for the all-new Audi A1 Sportback. Another feather in the cap has been selection by the BMW Group where we started supplying Vredestein Ultrac tyres as original equipment for the all-new BMW 2 Series Active Tourer.

Our Indian business achieved a huge milestone – sales of over 10 million (1 crore) units of Endurace LD, the flagship CV product. Since its inception in 2010, it has been successfully transforming the face of trucking in India.

The year saw launches across the globe including our first dedicated all-terrain tyre — the Vredestein Pinza — in Europe to the launch of Vredestein premium motorcycle tyres in Bangkok, Thailand, catering to the growing superbiking segment in Thailand to the new Pinza HT line of tyres in the North American market. As mentioned above, we have been the first to launch Europe's first all-season tyre developed specifically for battery EV and hybrids and the first Company in India to introduce tyres with 5-star rating.

People

With a value of 'One Family', our people are at the core of everything we do. During the year, we launched multiple initiatives around building people capability and creating a robust talent pipeline. We launched the second cohort of the Apollo Laureate Programme, for emerging and established leaders, globally and the Future Leaders programme, partnering with IIM Bangalore for the APMEA region. We were proudly certified as Top Employers in Singapore and in the UK, for 2023. Global L&D was an area of intense focus at the Company during the fiscal and we clocked more than 32,000 learning hours, with 87% returning learners.

Sustainability

As a responsible and progressive global citizen, we clearly articulated our commitments in the ESG (Environment, Social and Governance) space and declared our sustainability commitments including becoming carbon neutral by 2050, increasing usage of sustainable raw material to 40% by 2030 and improving Scope-1 and Scope-2 emission intensity by 25% and 35% respectively by FY26 against baseline year of 2020.

Our work around this pillar for the past years saw a change in our CDP Climate Change score which improved to 'B' from 'D' acknowledging our commitment on environmental action. Our concern about end-of-life tyres saw us joining hands with many different partners for innovative tyre recycling technology.

We became the first Company in the Indian automotive sector to get ISO 20400 certification for our raw material procurement process. We believe that this is a great first step, and we intend to carry forward the rigour in alignment with our Sustainability Goals. Focussing on this further, our team has successfully demonstrated developing tyres with 75% sustainable materials.

Our continuous focus on RoCE and sweating our assets ensured that we start FY24 on a stronger wicket. We have launched 'AVOLVE', to integrate mobility service business model into our operations and explore capital-light growth opportunities. Our servitisation model would offer tailored solutions to the targeted customers, especially commercial vehicle fleet operators, and improve their operational efficiencies evolving their business to the next level.

In the pages that follow, I hope you get a sense of how we have worked to deliver sustainable and profitable growth by focussing on our growth pillars. We will continue to live our vision of 'Driving Progress, Together' and I look forward to update you on a periodic basis.

Warm Regards,

Neeraj Kanwar
Vice Chairman and Managing Director

Board of Directors

The guiding force that directs the Company to achieve excellence and motivates Apolloites to achieve greater success and deliver significant and sustainable long-term growth, while upholding best practices.

Onkar Kanwar
Chairman

Neeraj Kanwar
Vice Chairman and Managing Director

Akshay Chudasama
Regional Managing Partner, Shardul Amarchand Mangaldas & Co

Francesco Crispino
Co-founder, Greater Pacific Capital

Francesco Gori
Former CEO, Pirelli Tyre

Gen. Bikram Singh (Retd.)
Former Chief of Indian Army

Lakshmi Puri
Former Ambassador and Assistant Secretary General United Nations

Pallavi S Shroff
Regional Managing Partner, Shardul Amarchand Mangaldas & Co

Dr. Jaimini Bhagwati
Former India's High Commissioner to UK and Ambassador to the European Union

Robert Steinmetz
Former Chief of International Business, Continental AG

Satish Sharma
President (APMEA) and Whole-time Director

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

Vikram S Mehta
Former Chairman, Shell Group of Companies

Vinod Rai
Ex-Comptroller and Auditor General of India

Vishal Mahadevia
Managing Director, Head of India Warburg Pincus

Leadership Team

Our leaders who are responsible for the overall strategy, direction and decisions.

Onkar Kanwar
Chairman

Neeraj Kanwar
Vice Chairman and Managing Director

Benoit Rivallant
European Operations

Daniele Lorenzetti
Research and Technology

Gaurav Kumar
Finance and Legal

Hizmy Hassen
Digitalisation and Supply Chain

K Prabhakar
Projects

P K Mohamed
(Advisor) Technology

Satish Sharma
Asia Pacific, Middle East and Africa Operations

Sunam Sarkar
Sustainability, Procurement, Human Resource and Corporate Communications

Yoichi Sato
Quality, Health, Safety and Environment

Apollo Tyres Sustainability roadmap in alignment with UN's Sustainable Development Goals (SDGs)

Rated one of **India's 50 most Sustainable Companies** based on SDG alignment by the 2021 **Capri Global Capital Hurun India Impact 50 List**

Linkages with Sustainable Development Goals

1

Over **17,000 beneficiaries** provided livelihood opportunities for continued employability or entrepreneurial endeavours

3

Over 8.3 million beneficiaries outreached for provision of healthcare services

5

Over 14,000 women trained on gender-based rights and equal opportunities

Over 75% of women trained on Income generation activities are employed

6

Over 23,000 beneficiaries provided access to potable drinking water

Over 5,300 beneficiaries provided access to safe sanitation

7

Accelerated our efforts to harness renewable energy. Vision to utilise renewable energy-based power 30% by FY26

8

Adoption of ISO20400 a framework for Sustainable Procurement. First Company in the Automotive Sector to receive the certification.

9

190+ active patents across geographies
08 industry – academia collaboration
1600+ active trademarks across geographies

12

40% sustainable material by 2030

13

Carbon neutral by 2050
Commitments undertaken for Scope 1 and 2 emission intensity by 2026

14

Biodiversity is our global theme.

15

Investment in afforestation projects for local communities to continue sustainable livelihood opportunities

17

Forward looking institutional partnerships like GPSNR
Adoption of ISO 26000 - global framework for Sustainability

ESG Performance Report

This report covers information pertaining to the period from April 1, 2022 to March 31, 2023. The scope of the report includes Apollo Tyres' Corporate Office, 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 Chinnapandur, Andhra Pradesh.

ESG Performance Report

Value Creation Model

INPUT

FINANCE CAPITAL

Capital Expenditure Outflow (consolidated)	₹ 7.75 bn
Net Debt (consolidated)	₹ 43.40 bn
Capital Employed (consolidated)	₹ 128.78 bn

HUMAN CAPITAL

Total workforce	18,850

Apollo Safe Way – Individual Ownership Workshop conducted

Global Employee Engagement Survey, **Apollo Voice** conducted and achieved **90% participation from employees.**

SOCIAL AND RELATIONSHIP CAPITAL

CSR spend in FY23	₹ 132.25 mn

Apollo Samadhan - An initiative to provides swift redressal to customers at the business partners. **Apollo Radial Service Assistance (ARSA) :** Technically qualified individual engages with this customers to optimise their operational efficiency.

Apollo Partnership Pact [APP] for Preferred Upstream Suppliers

INTELLECTUAL CAPITAL

Skilled R&D workforce	429
Research & Development allocated capex (consolidated) for FY22 is	₹ 1,081.74 mn

MANUFACTURED CAPITAL

Operating sites across the globe	7
R&D centres	2
Property, plant and equipment (consolidated) of	₹ 158.86 bn

NATURAL CAPITAL

Raw material consumed in operations	708,700 MT
Energy consumed	6,935 TJ
m^3 water withdrawn	2.20 mn m^3

VALUE CREATION APPROACH

Purpose

Enabling Excellence

Values

Following Our Passion

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

Taking Responsibility

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

One Family

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

OUR COMMITMENT

Reducing **Scope 1 emission** intensity **by 25% in FY26** compared to baseline year FY20.

Reducing **Scope 2 emission** intensity by **35% in FY26** compared to baseline year FY20.

Sourcing 30% of total power usage from **Renewable Sources by FY26.**

Improving water withdrawal intensity by **25% in FY26** compared to baseline year FY19.

STAKEHOLDER MAP

Six stakeholder groups play a pivotal role in our business

Employees

Community

OUTPUT

FINANCE CAPITAL

Cash generated by operating activities (consolidated)	₹ 21.34 bn
Consolidated operating profit	₹ 33.14 bn

HUMAN CAPITAL

16,000+ people made aware about health and safety risk assessment beyond work.

123 business units underwent HSE ownership assessment and road map developed.

Secured Engagement score of 87

SOCIAL AND RELATIONSHIP CAPITAL

Over 1.49 mn CSR beneficiaries

The number of outlets have increased by 66% in FY23.

80% + upstream supplier signed ATSPP

INTELLECTUAL CAPITAL

Intangible assets worth	₹ 7,386.83 mn
Patent applications were filed in FY23	28

MANUFACTURED CAPITAL

Production in FY23

Chennai	251,578 MT
Perambra	80,588 MT
Kalamassery	30,071 MT
Limda	150,359 MT
Chinnapandur	82,850 MT
Enschede	18,607 MT
Hungary	62,862 MT
Countries served	100+

NATURAL CAPITAL

CO_2 eq total GHG footprint	8.34 Lakh tonnes
Waste generated	32,275 tonnes

OUTCOMES

FINANCIAL CAPITAL

Net debt to EBITDA excluding other income (ratio) (consolidated) FY23 1.31

Net debt to Equity (ratio) (consolidated) FY23 0.34

Earnings per share (₹) (consolidated) FY23 17.39

Return on Equity (consolidated) FY23 0.09

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

354,577 Total manhours for training imparted

Certitified as a #GreatPlaceToWork for the 10th year in a row.

A total of 177,943 intervention achieved in Health & Safety

ISO 14001:2015 and ISO 45001:2018 certification for all manufacturing sites

A total of 21,652 training workdays achieved for risk management practices

SOCIAL AND RELATIONSHIP CAPITAL

Communities

Almost 10 Mn beneficiaries were reached, with 8.3 Mn from the Healthcare sector served till FY23.

Customer: Operational efficiency increased by 15 -20% beacause of Apollo Radial Service Assistance (ARSA)

Value Chain:

100% of the Natural Rubber suppliers signed the Apollo Sustainable Natural Rubber policy (ASNRP).

INTELLECTUAL CAPITAL

Active patents across geographies	200+
Designs across geographies	210+

MANUFACTURED CAPITAL

Depreciation and Amortisation (consolidated) FY23	₹ 14.19 bn
Depreciation and Amortisation (Standalone): FY23	₹ 9.07 bn
Capital Expenditure Outflow (consolidated) FY23	₹ 7.75 bn

NATURAL CAPITAL

Total recycled material used	9,957 MT
Total water recycled/reused	898,525 m^3
Total energy saved in FY23	104,187 GJ

SDG MAP

Shareholders & Investors — Value Chain Partners — Customers — Environment

Governance

Governance for An Enabling Ecosystem

Our focus is on strong ethics and commitment to best-in-class Governance. Over the last few years, the Company has invested in processes guided by forward-looking policies to build a sustained, inclusive and equitable economic growth.

*Key Performance Indicators

All employees trained on Code of Conduct

Rated as low risk category in Sustainalytics ESG assessment

Aligned with ISO 20400 standard for Sustainable Procurement as continuation of ISO26000 journey

Sustainability Committee established to drive towards achieving sustainability objectives

A Sustainability Roadmap with 6 focus areas

*Based on core assessment criteria

Sustainability at Apollo Tyres

Sustainability is one of the Company's 5 key growth pillars for achieving vision for FY26. The Company has taken a framework approach to incorporate sustainability principles into its core operations and business goals.

The Company's sustainability statement resonates with the Company's approach and outlines that "Apollo Tyres will continuously work towards achieving Sustainability across all its operations and value chain."

The Company has adopted ISO 26000 as its guiding standard to define its Governance model, embedding sustainability within the organisation. Furthering this approach, it recently aligned its procurement framework and practices to the international standard of ISO 20400 on Sustainable Procurement.

The Company has developed a Sustainability Management Framework that further defines its Sustainability Roadmap for FY26. It is categorised into six focus areas, aligned with with Sustainable Development Goals (SDGs) integrated with digitisation;

The roadmap is supported by action plans for each focus area with clear call to action and outcomes by 2026. Followed by these action plans, half-yearly progress review is conducted to map the progress and collect feedback on improvements. Further to this, the six focus areas will be reinforced by digitalisation as an overarching pillar. In its efforts to make sustainability performance a core business objective, the Company began submitting its disclosures, based on international guidelines since 2010. These disclosures have been instrumental in supporting continual improvement towards a better growth trajectory in all domains of the triple bottom line – social, environmental, and financial.

The Company also constituted working groups on Environment and extended producer responsibility to align with the six focus areas of the roadmap, ensuring delivery of specific outcomes under these heads.

Sustainability Steering Committee

The President & Chief Business officer (CBO) heads the Sustainability Steering Committee and reports to the Chairman, who is the highest level of management position in the Company. The CBO has the ultimate responsibility for management strategy and overall management including climate-related issues.

The Sustainability Steering Group represented by senior members of the management, act as a conduit between the Board of Directors and the Company. The Committee provides oversight on sustainability issues of critical significance and guides the Company towards achieving sustainability objectives by setting up an overall vision.

The Committee meets once in a quarter. The Sustainability function acts as the secretariat for the Committee, responsible for providing direction on initiatives to undertake and provide updates.

The Group took strategic decisions during the year, releasing the Sustainability commitments for the vision period of FY26, covering Carbon Emissions, Water Usage, Sustainable Raw Materials and Diversity & Inclusion for the vision period and Raw materials for FY30.

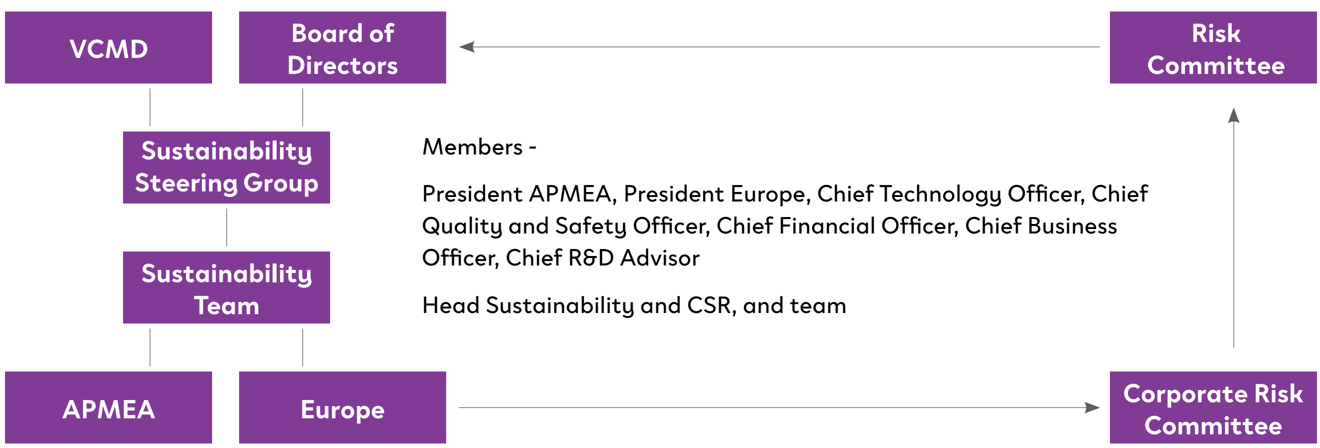
Risks And Mitigation

The Company also 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.

For instance, Climate Change Risk was locked 2.5 years ago as a strategic risk with high impact which was incorporated by Apollo Tyres in its corporate risk register. Based on the mitigation plan, the Company has taken a conscious decision to define decarbonisation roadmap and made 2026 climate change commitment.

Governance



The Company recorded notable improvement in Sustainalytics ratings moving from Medium Risk Category to Low-Risk Category in FY23. [core assessment criteria]

Framework for Sustainability

Apollo Tyres adopted ISO 26000:2010, an International Standard on Social Responsibility to develop its Sustainability Governance Model. The standard has 37 issues spread across seven core subjects. The Company has adopted 29 out of these for establishing its procedures. All the adopted procedures are also independently assured by a third party.

Community involvement and development

- Community involvement
- Employment creation and skills development
- Technology development and access
- Wealth and income creation
- Health

Human rights issue

- Due diligence
- Avoidance of complicity
- Resolving grievances
- Discrimination and vulnerable groups
- Fundamental principles and rights at work

Consumer issues

- Fair marketing, factual and unbiased information and fair contractual practices
- Protecting consumers' health and safety
- Sustainable consumption
- Consumer service, support, and complaint and dispute resolution
- Education and awareness

Labour practices

- Employment and employment relationships
- Conditions of work and social protection
- Social dialogue
- Health and safety at work
- Human development and training in the workplace

Fair operating practices

- Anti-corruption
- Responsible political involvement
- Fair competition
- Promoting social responsibility in the value chain
- Respect for property rights

The environment

- Prevention of pollution
- Sustainable resource use
- Climate change mitigation and adaptation
- Protection of the environment, biodiversity and restoration of natural habitats

Policy Framework and Fair Operating Practices

The Company is guided by appropriate publicly stated policies to address the needs and expectations of its spectrum of stakeholders. It identifies, adopts, and applies standards of ethical behaviour appropriate to its purpose and activities. It has been able to sustain productive relationships with other companies because of its responsible business practices. Further, it is following all applicable legal and regulatory requirements.

Apollo Tyres Code of Conduct sets out key policies that outline the standards and behaviours that help to shape and strengthen the organisational culture. All the employees have undergone mandatory training on the Code of Conduct.

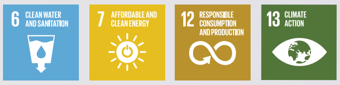
Whistle Blower Policy: With this policy, the Company has a strong vigil mechanism to deal with instances of unethical behaviour, actual or suspected, fraud or violation. The functioning of the whistle blower mechanism is periodically reviewed by the Audit Committee of the Board.

Fair competition: The Company 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. 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.

Environment

Being an Ecosystem Player

Our aspiration to be a true ecosystem player has led us to think holistically on ecology, environment and energy.



Key Performance Indicators

14%
Of Green Component in Total Power Share

41%
Water Recycled

104,187
GJ energy Saved

3.25 M³/MT
Specific Water Withdrawal

Global Commitments

Reduce Scope 1 emission intensity by 25% in FY26 compared to baseline year FY20.

Reduce Scope 2 emission intensity by 35% in FY26 compared to baseline year FY20.

Improve water withdrawal intensity by 25% in FY26 compared to baseline year FY19.

Use 40% Sustainable Materials [10% Recycled Materials and 30% Biobased materials] by 2030

RE target - Sourcing 30% of total power usage from Renewable sources by FY26

Combating Climate Change

Apollo Tyres is working concertedly to create climate resilient operations. This is in line with the Company's commitment to be carbon neutral by 2050. The climate adaptation strategy includes levers such as renewable energy usage, energy efficiency and shifting from coal to biomass. To ensure a gradual transformation to a low carbon trajectory, the Company has worked out a decarbonisation strategy, looking at ways to reduce its Scope 1 and Scope 2 emissions in the Europe and APMEA regions. In the reporting year, the Company has announced its targets for FY26 covering Scope 1 and Scope 2 emissions. This is in addition to the earlier target of Renewable power declared in FY22. The organisation has improved its commitments on Scope 2 emissions to 35% from previous committed target of 25%. In FY23, the Company recorded an improvement over 21% & 19% in the Scope 1 and Scope 2 intensities respectively from the baseline year of FY20. This reiterates the organisation's commitment towards reaching carbon neutrality goal.

At the Company level, 14% of its power requirement in the reporting period was met by renewable (wind and solar) sources. Taking forward its long-term commitment to renewable power to be 30% by FY26, Apollo Tyres has ensured green power for its largest manufacturing facility in Chennai, in the southern part of the country. This will increase the share of renewable energy to more than 30% of the total for this manufacturing facility. The Company invested in CSE Deccan Solar, a subsidiary of Cleantech Solar, a sum of ₹ 93 million, for a 27.2% equity, to get a guaranteed supply of 40 million units of electricity per annum for its Chennai facility. In addition, the Company has invested in Hybrid power of 5 MW capacity for its Limda Plant, Gujarat. These initiatives have moved RE share to about 14% to total power share.

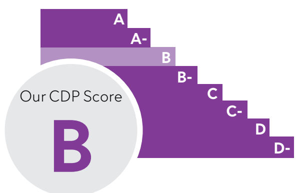
Hungary Plant has installed a solar power plant of 9.3 MW.

To keep its approach comprehensive, the Company has also been looking at Value Chain emissions or the Scope 3 footprint and exploring ways to reduce it.

The Environment Working Group has the pivotal role of deciding on the thematic areas of work under the climate change theme. It also advises the Sustainability Steering Committee on the targets and performance against them.

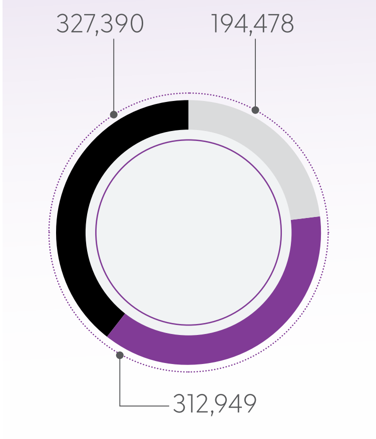
In FY23, the Company has revised the Environment Policy based on need assessment.

The Company has been responding to the CDP Climate Change questionnaire since FY20. In the reporting year, Apollo Tyres recorded a significant improvement in the disclosure score from level D to level B.



Carbon Emission Profile FY23

2022-23 GHG Emissions (tCO_2 eq) - Scope Breakup



Extended Producer Responsibility

The evolving concept of Extended Producer Responsibility (EPR) legislation, a strategy to pass the responsibility to the producers to promote and increase the use of product recovery and minimise environmental impact, is a pivotal step to move away from a linear approach.

In the reporting year, EPR legislation on plastic waste and e-waste was extended to include End of Life Tyres (ELT) in India. In this context, Apollo R&D is working with various recyclers to use the recycling materials in their products as a part of compliance to this regulation.

Apollo Tyres has partnered with Tyromer Inc, a leader in non-chemical devulcanisation of end-of-life tyres. Tyromer Inc, through their Indian associate, Tyromer India LLP will be supplying recycled rubber material, produced using its environmentally sustainable processes to Apollo Tyres. This will help increase the sustainable raw material content in the product mix.

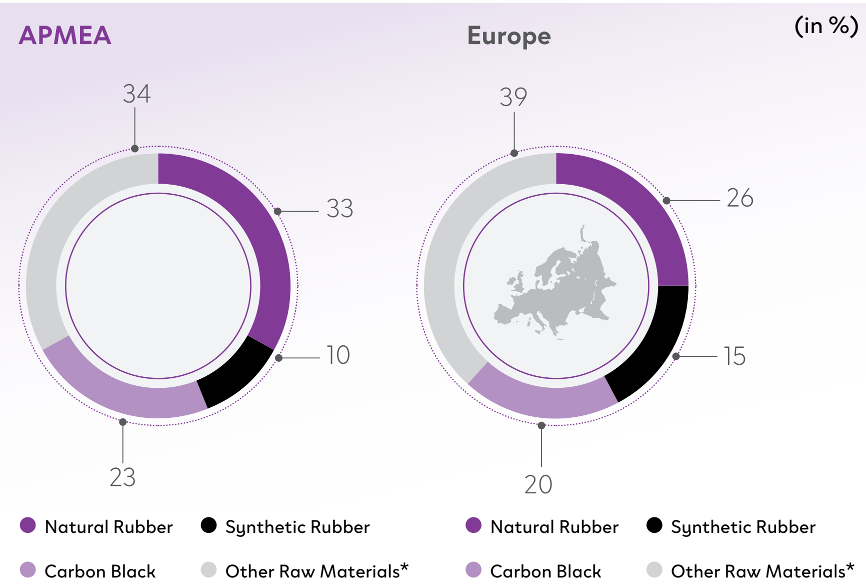
Resource Conservation

At Apollo Tyres, resource use efficiency is given prime importance as it translates to optimal use as well cost benefits.

Raw Material Footprint

The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. While these constitute a major part of the raw material, it uses other materials as part of its overall raw material requirement.

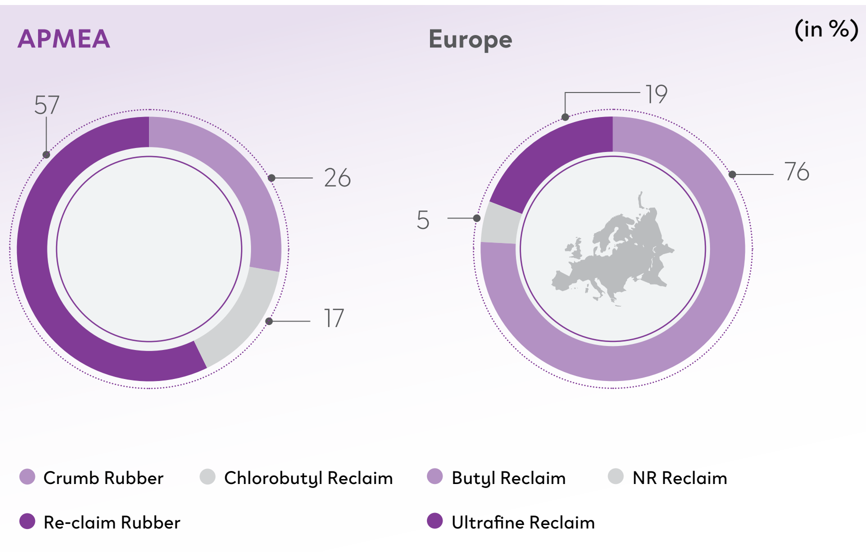
Share of Raw Material Consumed, APMEA and Europe Operations in FY23



*Other Raw Materials include associated process materials.

Total raw material consumed across all the operations: 708,700 metric tonnes. Total recycled material: 9,957 metric tonnes. This has increased by 13 % as compared to last financial year.

Break up of Recycled Raw Materials by Type, APMEA and Europe Operations in FY23



Driving Sustainable Consumption

The rolling resistance of the EV tyre is 30% lower than the ICE tyre translating into reduction of rolling loss and extended battery range, without compromising any other performance.

Prototypes of the agricultural and passenger tyre have been developed with 75% sustainable materials. An extensive test programme has been initiated to assess the functional efficiency and capability of this tyre.

To support the light weighting of tyres while maintaining their performance, an initiative is taken to redesign tyres for different product categories.

To align with the Company's sustainability objectives, a technical level discussion carried out among ATMA (Automated Tyre Manufacturers Association) members and government representatives to address the shortcomings associated with newly notified EPR guidelines.

GOVERNANCE ENVIRONMENT SOCIAL

Some of the improvements achieved in certain parameters in FY23

Passenger vehicle (PV):

Achieved the recognition of First Indian Tyre Brand to get fuel savings label with 5-STAR RATING for Passenger Car Tyre Category by Bureau of Energy Efficiency (BEE). "Amperion" bagged the prestigious 5 Star rating after evaluation as per the new regulations.

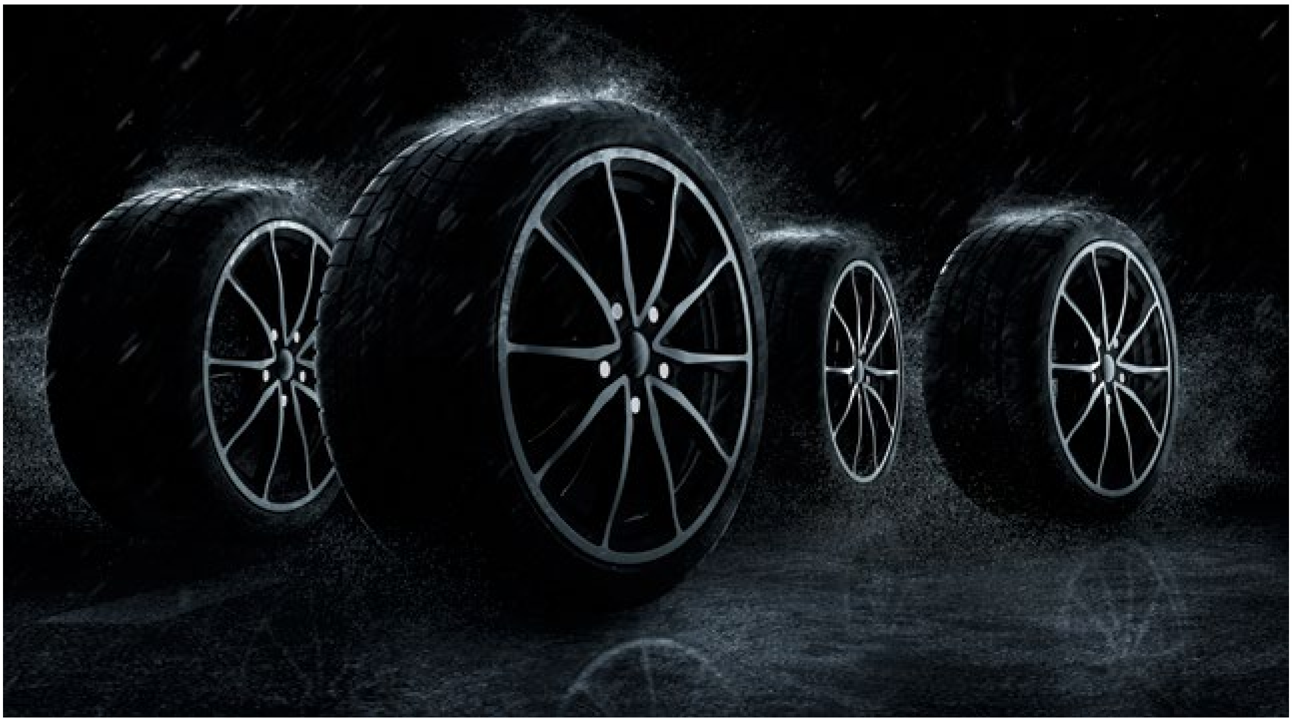
In UHP category, Aspire 4G+ is upgraded with **20%** improved Rolling Resistance.

Truck Bus Radial (TBR):

Apollo Tyres becomes the first in CV segment to be approved for 5 Star Label for fuel efficiency as per Bureau of Energy Efficiency Tyre labelling programme. All range of radial Tube type Light Truck tyres are in the 4 Star/ 5 Star band. The Company has improved the rolling resistance of commercial vehicle tyre by **6%.**

In line with the commitment to reducing material usage, Apollo has developed light weight carcass technology and launched light weight range of products for export and domestic markets.

Nitrogen curing technology in TBR has been adopted in Hungary and Chinnapandur Plants envisaging the sustainability and smooth operations in future. Nitrogen curing helps in shortening the curing cycle and increases the utilisation rate of curing press compared to Hot water curing. Nitrogen curing helps in reduction of steam consumption compared to steam cure system. Moreover, the quality of product, uniformity and appearance is improved.



Tyre Improvements for Electric Vehicles (EV) :

One of the major revolutions in the automotive sector is the electrification of vehicles. Contributing to this development and to address the requirement for this fast-emerging market, Apollo Tyres has developed an EV range which offers a low rolling resistance coefficient, reduced noise and better comfort without sacrificing structural durability and wear performance. Several sizes are now available in its portfolio to cater to the demand of the upcoming Electric vehicles.

Some of the innovations that have been made for tyres made for electric vehicles are enumerated below.

- A tyre flattens at the contact area to generate necessary footprint for traction. Apollo Tyres has developed a Tread cap compound which generates less heat on such deformation that occurs periodically while rolling. The tyre has an optimized cavity contour which facilitates a carcass structure with ideal tension to minimize deformation and energy loss. Also, the cavity contour is designed to minimize aerodynamic drag to offer less resistance to cut through air.
- Tyre road interaction creates noise pollution. The Company's low noise technology involves –
  a. A tread pattern comprising varying block sizes and their optimised sequencing around the tyre. This spreads the noise generating frequencies to avoid resonance.
  b. Optimised cavity contour helps tyre to make an ideal contact patch causing less impact noise. It also moderates shoulder vibrations which are potential sources of noise.
- Enhanced Wet Grip is a desirable attribute for tyres. The Company has been investing to improve the wet grip which includes –
  a. A pattern with wide circumferential grooves along with optimally oriented lateral grooves offering efficient channelling of water while tyre contacts a wet road. This together with optimally placed sipes establish enhanced grip of the tyre onto the road.
  b. Specially designed tread cap compound reinforced with silica maximises enveloping of road asperities by the tyre tread and thereby maximizing the area of contact to resist tyre slippage on wet roads.
  c. Ideal pressure distribution across the footprint extends a synergistic support to above phenomena to maximise efficiency in road holding even at higher speeds and cornering.
- EVs effect high tractive loads on tyres to cause higher slip and abrasion which releases suspended particulate matter into the air and surroundings. Apollo has developed Tread compound which overcomes the conflict between traction and abrasion to offer excellent mileage with enhanced traction. Reduced rate of wear results in extended tyre life through significant reduction of tyre particle emission for a given usage life.

Energy Performance

Apollo Tyres utilises a mix of renewable and non-renewable fuel types in its operations. The India operations, mainly use coal. There is also a conscious shift from fossil fuels to biomass in all the plants in APMEA region. The Chinnapandur plant in Andhra Pradesh runs completely on Biomass. The Company has also invested in renewable energy like solar and wind power as direct energy sources. In the Europe operations, direct energy is sourced from natural gas. Indirect energy sources in the Indian operations comprised of grid electricity along with wind energy. In Europe, electricity is the main source of indirect energy. By the use of biomass, the Company has reported 13,355 tonnes of CO_2 of avoided emissions.

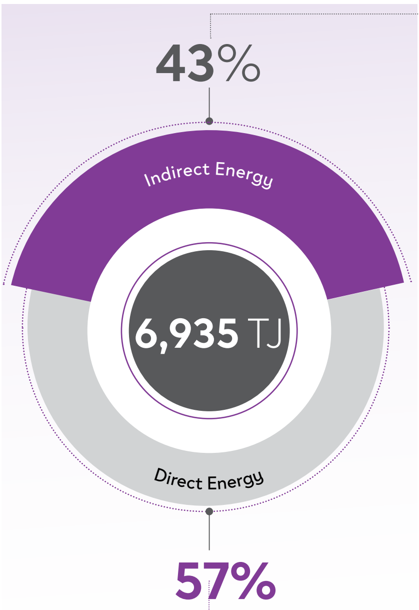
The total energy consumption (from both direct and indirect sources) for the reporting year was 6,935 TJ. The share of direct energy was 43% (3978 TJ) and the indirect energy accounted for 43% (2,957 TJ).

The Indian plants have been using renewable power in their operations. The region used 17% of renewable power in its total power demand in FY23. The sources included imported power as well as captive capacities.

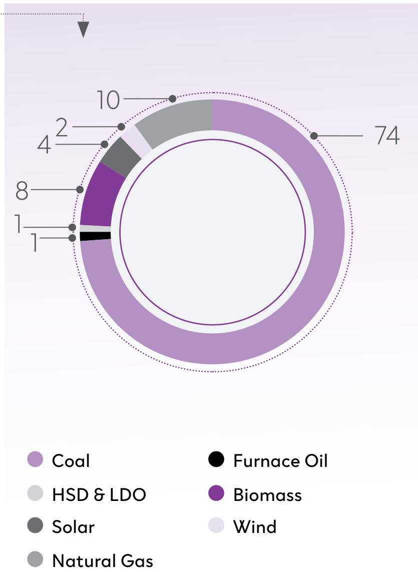
The Company has been making efforts to achieve energy efficiency through improvements in its process design, conversion and retrofitting of equipment and use of energy efficient equipment. There were several initiatives that were undertaken during the reporting period resulting in 104,187 GJ of energy savings.

Further continuing the journey of energy savings, Apollo Tyres became

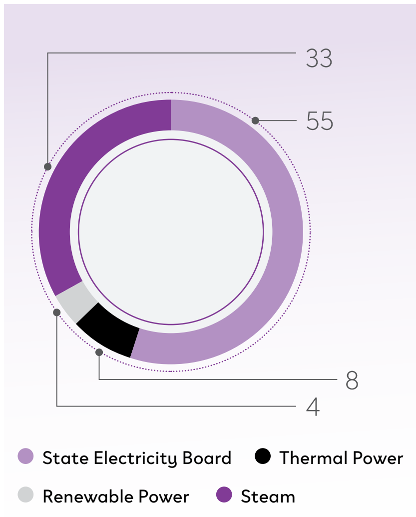
Share of Direct and Indirect Energy Consumed, FY23



Break-Up of Direct Energy by Source, FY23 (%)



Break up of Indirect Energy by Source, FY23 (%)



the first Company to be awarded with 5 stars for its Apollo brand of light truck radials as a part of 'star rating' of tyres. Multiple SKUs of 16-inch Apollo Endurace RA and LD have received the 5-star ratings from the Bureau of Energy Efficiency (BEE), while few of them have also received 4-star ratings. BEE's label programme provides the customers information on fuel/energy savings and helps them take an informed buying decision.

Sustainable Water Use

Prudent use of water has been an important aspect of operations. The Company has committed to improve its water withdrawal intensity and has been investing in processes to achieve this. As a further step, Apollo Tyres has started to get its water footprint verified by an independent 3rd Party since FY22. The certificate is a part of the report.

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

2,198,698
Total Annual Water Withdrawal (in m^3), FY23

469,440 Perambra

193,682 Kalamassery

105,112 Hungary

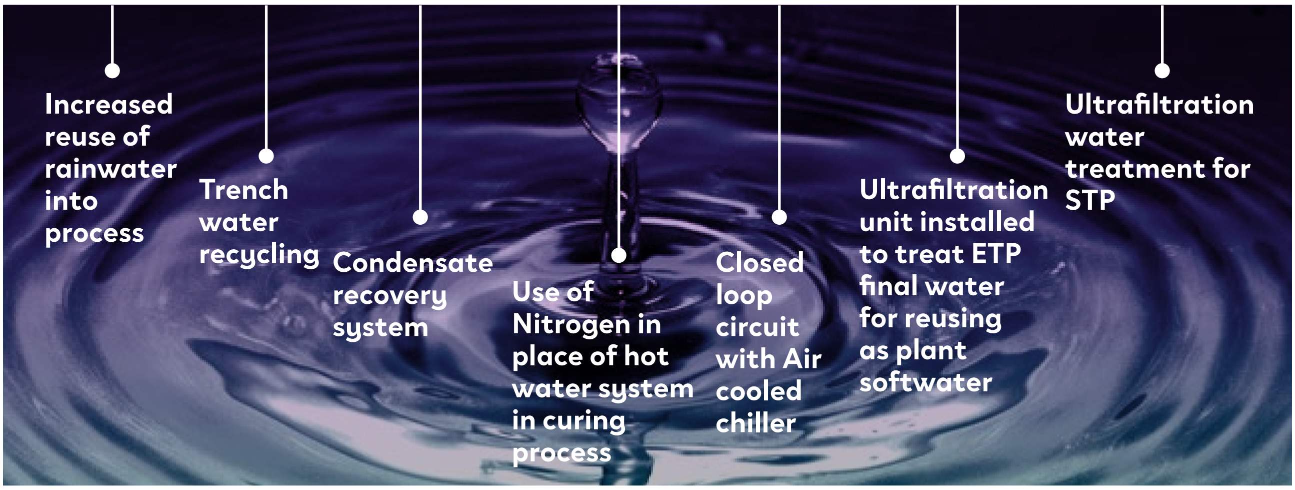
737,105 Limda

27,842 Netherlands

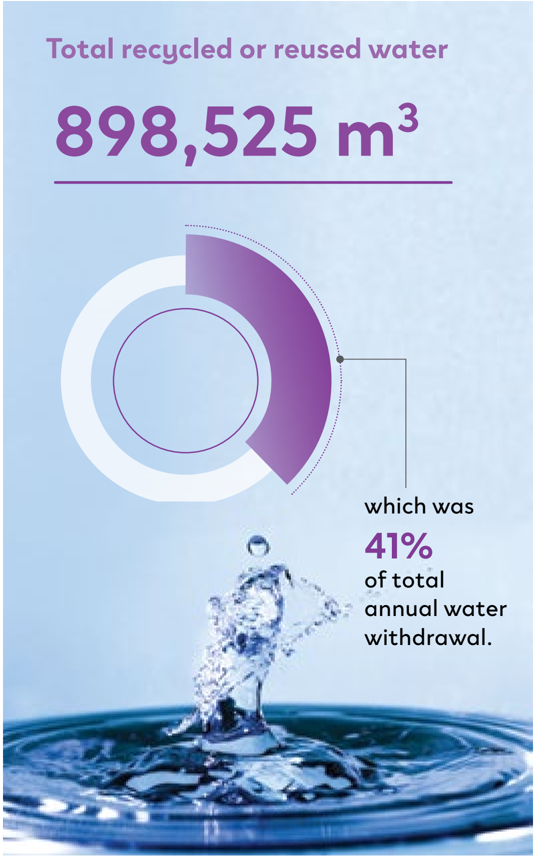
261,149 Chinnapandur

404,368 Chennai

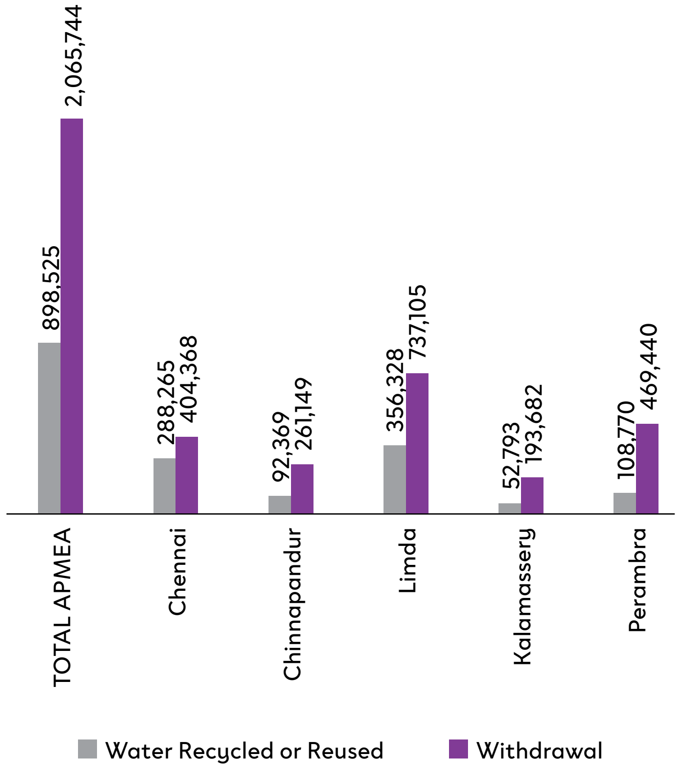
The APMEA operations carried out several initiatives to conserve water in the reporting year. Some of them are enumerated below –



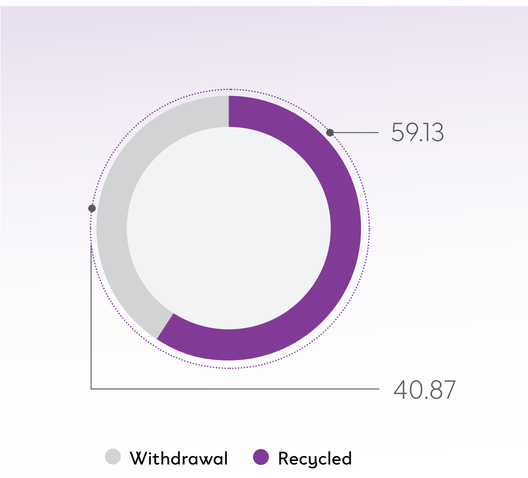
The wastewater generated at sites are segregated in Process and Domestic wastewater streams and treated in Effluent Treatment Plant accordingly followed by Reverse Osmosis Process based on process requirement. In the Indian operations, the treated water at site is used to meet the water requirement replacing fresh water. While in sites in Europe, wastewater is collected and discharged to Common Effluent Treatment Plant (CETPs) as per regulatory mandate.



Break-Up of Total Water Usage in terms of Recycled Water and Fresh Water Withdrawal, FY23



Break-Up of Total Water Usage in terms of Recycled Water and Fresh Water Withdrawal, FY23 (%)



In the APMEA operations, the total annual water withdrawal was 2,065,744 m³, of which 898,525 m3 (44%) was recycled or reused during the reporting period.

Promoting Biodiversity

Apollo has designed and implemented several activities within the plants on promoting Biodiversity.

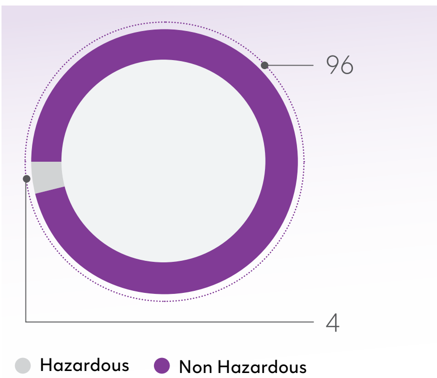
At its Kerala plants in Perambra and Kalamassery, the activities include maintaining the existing theme gardens such as butterfly garden, fruit garden to enhance the biodiversity and increase species of flora and fauna. Apiculture, for collection of honey from rubber trees within the premises, was also continued at Perambra during the reporting period. Also, the Company has an organic farming project within the plant premises in Limda, Gujarat.

Waste Management

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.

Waste generated from the operations included hazardous and non-hazardous types in solid and liquid forms. The total solid waste generated in the reporting period was 24,705 metric tonnes.

Waste generation category FY23 (%)



In the APMEA operations, 877 metric tonne of hazardous and 26,412 metric tonne of Non Hazardous was generated.

A total of 333 metric tonne of hazardous and 4,411 metric tonne of non-hazardous waste was generated in the reporting period in Europe region.

32,275 MT

Total waste generated in the reporting year

Social

Enriching and Empowering a Prosperous Society

The existence of a broad spectrum of stakeholders (Customers, Value Chain Partners, Employees, Communities and Environment) that we operate in, reinforced with the commitment to diversity & inclusion is our biggest propeller towards growth.

Key Performance Indicators

3.54 lakhs
Total manhours of training imparted

1.49+ mn
Beneficiaries outreached through CSR initiatives in FY23

80%
Upstream supplier have signed the Apollo Tyres Sustainable Procurement Policy (ATSPP)

100%
Natural Rubber suppliers have signed the Apollo Sustainable Natural Rubber policy (ASNRP)

GOVERNANCE

ENVIRONMENT

SOCIAL

Customers – Central to Existence

Apollo Tyres values its customers as it works towards two broad management approaches; Customer Care and Transparent Communication. Importantly, it values their purchasing choices and their growing role in promoting sustainability.

Customer Care

Safety

The Company focusses on providing products to customers that minimally impact the environment and are produced with safety, reliability and efficiency in mind. Customers are provided ample information through product labels to assist them in making an informed decision.

Quality and Safety of products in use are ensured through periodic checks at each stage of the product lifecycle. Dealers and consumers are regularly educated on proper use of products and right application.

Customer Delight

Apollo Tyres actively engages with its customers to understand product complaints, fostering trust, transparency, and improved reputation. There are multiple platforms and programmes including; 'Voice of the Market', and 'Voice of the Customer' that not only collect valuable feedback from customers but also help various functions including manufacturing and R&D departments in their endeavour to further improve product quality and customer engagement. For instance, based on the customer feedback, the Company redesigned the Alnac 4G, an OEM tyre to Maruti Suzuki Baleno, and offered it in the replacement market.

Furthermore, redressal mechanisms are in place for customers to register their grievances and raise their queries. Apollo Customer Care ensures speedy response and resolution of complaints with a quick turnaround time to enhance customer experience. Few other initiatives are mentioned below :

Apollo Tyre Service Centre

A pioneering, specialised service center in Gurugram, helps customers get on the spot grievance redressal instead of going to multiple touch points.

Apollo Samadan

This is an online platform for business partners to resolve complaints of customers on the spot within 2 hours at their respective counters.

Commercial Vehicle (CV) Zone

In addition to the value-added service at CV Zones, we have equipped 11 CV zones with electric vehicle charging stations in collaboration with Tata Power.

Transparent Communication

Apollo Certified Fitter (ACF)

A fitter engagement and welfare initiative with the aim of educating customers on the recommended fitment practices. The network of Apollo Certified Fitters has increased to 544 in FY23.

Apollo Radial Service Assistance (ARSA)

A technically qualified individual engages with the customers in this initiative to optimise their operational efficiency through standard checks, This leads to an increase in operational efficiency by 15-20%.

Apollo Direct (Contact Centre Management)

A dedicated customer care service center for grievance redressal which is accessible seven days a week and in various regional languages.

Apollo Radial Repair Centre (ARRC)

Customers are supported as dealers are guided to repair damaged tyres instead of scrapping them through this initiative. Total 71 ARRC are operational.

Bad Road Buddy (BRB) Activities

- Micro BRBs - 155 Rides | 26 Cities | 4,000 Participants
- Save the Earth Rides - 55 Rides | 79 Clubs | 2,800 Riders
- Rain Forest + Motorama - 5,500 People
- SUV Drives - 6 Drives | 100 Vehicles

Apollo Samadhan

An initiative to provide swift redressal to customers at the business partner's counters. Service's reach is extended through Apollo Samadhan at OEM Franchises at selected outlets. The number of outlets have increased by 66% (8 Tractor OEMs & 1 Car OEM) since the previous year. Apollo OEM Samadhan Centres have has increased to 570 and Apollo Samadhan centres to 1,949 in FY23.

On Spot Dispositions

- New Initiative for better customer Connect as per the changing customer expectations.
- 31,049 Tyres inspected of 17,573 unique Customers

Apollo Tractor Owners Meet (ATOM)

Training sessions are held to engage farmers and educate tractor owners in tyre care and repair. The sessions which are accessible to dealers, franchisees, fitters and retreaders, have achieved 698 agri-customer engagements activites for the year.

No incident of non-compliance with regulations, voluntary codes concerning the health and safety impacts of products and services within the reporting period.

Value Chain - Partners in Progress

The Company's Corporate Procurement function manages the role of sourcing raw material from suppliers across Asia, Africa, Europe and USA.

The Company is commited to complying with applicable laws that govern international trade. Importantly, the Company expects its suppliers' services and products comply with all national and other applicable laws and regulations.

At the heart of its core procurement activities, the Company strives to promote sustainable procurement agenda through its Sustainable Procurement vision, policy and guiding principles, which have been translated into supplier Code of Conduct in its upstream raw material supply chain.

Sustainable procurement has the most positive environmental, social and economic impact across the entire life cycle. This process enhances resource and cost efficiency, improves the quality of products and services, and ultimately minimises adverse impact on environment and drives socio-economic development in the upstream raw material supply chain.

The Company has taken a commitment to increase usage of sustainable materials (including recycled materials) to 40% by 2030.

Apollo Tyres' Sustainable Procurement policy directions consist of three sections: Sustainable Procurement Vision, Sustainable Procurement Policy, and Sustainable Procurement Guiding Principles:

Sustainable Procurement Vision

Apollo Tyres will work towards minimising the environmental and social impacts to its business by adopting sustainable procurement policies and in this regard ensure the suppliers' participation in promoting sustainable practices in the raw material supply chain. The Company will ensure strong sustainability governance framework that provides for both identification of key material issues, risks and opportunities arising in the raw material supply chain; and strategies to address them.

In line with the Company's sustainability vision, it continuously works towards achieving sustainability objectives across its operations and value chain. It aims to achieve so, by adopting sustainable procurement policies and by ensuring the partner's participation in promoting sustainable practices in its core processes.

Sustainable Procurement Policy

The Company considers its suppliers as long-term business partners and is committed to conducting its business affairs in a fair and ethical manner that promotes open and fair competition in the best interests of Apollo Tyres and its suppliers. It strives to continuously enhance customer satisfaction by providing cost effective and quality materials on a timely basis, while working in tandem with its supply chain partners on Sustainability objectives (ESG aspects), enabling sustainable business practices.

Sustainable Procurement Guiding Principles:

The guiding principles for Sustainable procurement are as follows:

1. Driving through governance, transparency, and accountability.

2. Enhanced usage of recycled and renewable raw materials in products including encouraging the Company's Raw Material (RM) supply chain partners in increasing the content of their recycled and renewable raw materials in their manufacturing processes.

3. Striving towards highest environment, health & safety standards for RM supply chain partners on manufacturing processes and operations and in the raw material supplier 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 supplier partner's operations.

5. Ensuring compliance of international norms on decent work agenda and encouraging the Company's 'One Family' culture in the raw material supply chain.

6. Work on Natural Rubber Sustainability in line with the Global Platform for Sustainable Natural Rubber (GPSNR) guidelines to drive improvements in the Social, Economic and Environmental performance of Natural Rubber supply chain.

7. Driving continual improvement in sustainable procurement agenda in the raw material supply chain.

With a view to reduce carbon footprint, optimising the transport flow/ logistics and supply proximity to the manufacturing locations, the Company encourages sourcing from domestic partner suppliers with all other factors being equal.In addition, dealing directly with manufacturers enables close engagement and resilience in the upstream supply chain to efficiently respond to changes in the dynamic markets at all times.

The Company develops import supplier partners as an additional and alternate source of supply and to seek collaboration under joint technical projects. It ensures that the raw materials sourced are free from chemicals and Substances of Very High Concern (SVHC) which impact environment adversely and comply with all international norms and standards.

Apollo Tyres encourages its partners to establish their respective environmental systems in compliance with the requirements of ISO14001 and to get the systems certified by an accredited third party.

Aligning with the overall organisational sustainability policies and objectives, the Company focusses on sustainable procurement practices to ensure a sustainable supply chain. To begin with, it identified and addressed stakeholder needs and expectations by ensuring no negative impacts on ESG standards. The procurement policy was then formulated in accordance with the international standards and ESG legislations. In addition to the techno commercial aspects, sustainability aspects have been considered in the raw material sourcing strategy and in the process of contracting for its procurement supplies from the regular approved sources.

The Supplier Code of Conduct requires the supplier partners to comply with all applicable environmental laws, regulations, and standards, such as chemical and waste management disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting.

Supplier Code of Conduct

The Company expects its business partners to demonstrate their commitment for compliance with its Supplier Code of Conduct, which lays down the foundation for deployment of the sustainable practices in the supply chain.

The code of conduct is developed based on the core objectives of social responsibility and sustainable procurement adopted from ISO26000 and ISO20400 standards respectively. It endeavours to work jointly with its partners to promote adherence to compliance standards. Till date, more than 80% of the upstream suppliers have signed the Apollo Tyres Sustainable Procurement Policy (ATSPP) to pledge their compliance.

The code of conduct for the natural rubber supply chain addresses the specific needs of the natural rubber sector, in addition to the standard requirements for the environment, social and governance pillars. Having joined Global Platform for Sustainable Natural Rubber (GPSNR) in March 2019 as an ordinary member, the Company is working towards improvements in the socio-economic and environmental programmes of the natural rubber supply chain by implementing Apollo Sustainable Natural Rubber Policy (ASNRP) for the natural rubber supplier partners in accordance with GPSNR policy framework. **Till date, 100% of the Natural Rubber suppliers have signed the Apollo Sustainable Natural Rubber policy (ASNRP) to pledge their compliance.**

Partners are expected to ensure deployment in their next tier level of their respective supply chains, as applicable.

The Company initiates supplier assessment from time-to-time, based on a criteria and frequency and engage jointly with the supplier for a continuous development and improvement in this area.

Expectation from the Raw Material Partners on Supply Chain Sustainability

'More with less' has been the mantra of the Company's sustainability journey. Below are the **eight areas** where the Company would encourage its raw material partners to focus on:

1. Use of non-fossil based fuels in operations including the use of renewable energy to lower carbon emissions
2. Practicing sustainable consumption to ensure resource conservation
3. Target to be water neutral/ water positive
4. Optimal operations and practice of preventive maintenance
5. Measure Scope 1,2 and 3 emissions and set targets to reduce them
6. Minimise waste in the manufacturing process
7. Seek third party assurance for responsible operations
8. Commit to involve your suppliers in this journey

Green Procurement Initiatives

As a part of its green procurement and digitalisation initiative, Apollo Tyres has introduced an online supplier portal for day-to-day operational management of purchasing and supplier quality management activities. The supplier portal features various modules covering - RM Schedules and supply monitoring system, RM Specification, Audit Report, Supplier Rating, and other quality related requirements. All the purchase orders are autogenerated through the SAP system and communicated to the supplier base globally through a paperless electronic medium.

The Company also promotes and encourages suppliers to embrace environment friendly and green materials in their production processes including usage of recycled products. In this regard, it emphasises on usage of environment friendly, re-usable, recyclable packing materials (which has minimum environmental impact) like returnable pallets, returnable metal boxes, returnable metallic spools for the supply of raw material to its manufacturing facilities globally. This additionally helps in enhanced vertical space utilisation in storage warehouses. The packaging of raw material should also be "wood-free". In addition, a supplier needs to conform to the local regulations, as and where applicable in each country of supply.

To maximise the use of digital information technology, it encourages the use of video conferencing, telephonic conferencing, and other latest collaborative technologies available to minimise the adverse impact on environment and promote green practices in its procurement activities.

REACH & PAH Compliance

Apollo Tyres and its suppliers ensure that the final product and its raw materials conform to the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) requirements, as applicable and seeks declaration from its suppliers to ensure compliance to all applicable requirements in supplies.

It is geared to meet all raw material related requirements with reference to usage of PAH (Polycyclic Aromatic Hydrocarbons) free materials for supply of tyres to Europe and other markets.

Supplier Engagement

Apollo Tyres engages with its suppliers in multiple ways and across multiple spheres of working. Few of its initiatives include Global Partner meets, Sustainability workshops, Joint technical projects, Quality and capacity building workshops with natural rubber small holders, producers and processors, CSR workshops at supplier's manufacturing facilities, Safety @ supplier workplace, business meetings, etc.

The following are the supplier engagement framework and key initiatives:

- **New Supplier selection**

  It involves stage-wise evaluation and approval process involving commercial and technical evaluation of the supplier by a cross function team of Procurement, R&D, Plant Technology, and Manufacturing.

- **Joint Development Projects**

  Based on the voice of the customer, the emerging market requirements and changes in regulatory requirements, the Company engages with its suppliers or potential new suppliers for raw material to initiate joint development work on new materials and new tyres development.

- **Supplier Audits**

  Supplier audits, assessment of the supplier Quality Management System, are conducted at the time of selection of new suppliers and are also conducted at defined frequency for existing suppliers as per defined audit criteria. Such supplier audits are conducted by a qualified team of trained auditors.

  The scope of supplier audits covers various elements like quality management system, environmental standards, occupational health and safety standards and others as per the Procurement Standards, Apollo Tyres Sustainable Procurement Policy (ATSPP) and Apollo Sustainable Natural Rubber Policy (ASNRP). The Audit teams conduct compliance check as per the standard audit checklist at regular intervals according to the predefined criteria.

  Supplier audits continued in the Upstream Supply Chain this year via physical audits at supplier workplaces and using the virtual collaboration platforms to conduct online system audits at supplier end, including Gemba visit at suppliers through virtual live videos, thereby leveraging the use of IT technology in the Supply Chain. Additional guidelines for the suppliers are put in place to ensure smooth conduct of the audit programs through virtual platforms.

  Based on the audit, action plans for improvement are drawn and jointly agreed and being followed up with the suppliers until closure.

- **Supplier Performance Evaluation**

  Supplier performance evaluation is done on Quality, Delivery and

Service performance through rating criteria which aims at timely feedback to suppliers to improve their performance at Apollo Tyres.

The same is communicated to suppliers on periodic basis and action plans are drawn and followed up with the suppliers using the newly launched supplier portal for the upstream supply chain.

- **Apollo Global Partners' Summit 2022**

  Apollo Tyres held its Global Partners Summit 2022 virtually, with the raw material business partners, which witnessed a tremendous response with over 700 participants joining from 24 countries.

  Apollo Tyres used the platform to stress on the important role that technology plays for the Company, along with a clear roadmap regarding the usage of sustainable materials.

  The attending business partners were also updated on the organisation's vision 2026, which has People, Sustainability, Digitalisation, Brand and Technology & Innovation as the key pillars.

  As part of the Summit, an elite panel of industry leaders discussed on the enablers of Apollo Tyres vision for 2026 and a Young Leaders Panel discussed on 'Building Sustainable and Resilient Partnerships'.

  Apollo Partner Awards 2022 were presented on Apollo Emerging Partner, Apollo Gold Partner Award for Innovation and Development, for the Quality Champion, for Supply Chain Excellence, for Sustainability, for Service Excellence and the Apollo Pillar Award to the deserving supplier partners.

  Apollo Champion for individuals at Business Partners' end was awarded to individuals from partner companies who have gone the distance to support in their services and supplies to Apollo Tyres.

- **Corporate Social Responsibility in Supply Chain**

  The Company continues to conduct CSR activities at the premises of its Raw Material suppliers to support good health and covers awareness programmes such as HIV / AIDS and TB Prevention and the ill effects of Substance Abuse, covering a spectrum of participants covers Operators, Supervisors, Engineers and People from Plant Management.

  The activities are conducted by the Procurement department, which has been trained by International Labour Organisation (ILO).

  The CSR activities continued in the Upstream Supply Chain this year using the virtual collaboration platforms, thereby leveraging the use of IT technology for a farther reach with the RM supplier partners.

- **Safety @ Suppliers' Workplace**

  Apollo Tyres encourages suppliers to follow all applicable industrial practices to ensure safe operations. The new manufacturing and information technologies can be an enabler to make the workplace safer by building an environment through periodic assessment of the prevailing safety practices and development of workplace conditions.

  The initiatives aim for minimising risks of downtime because of accidents, providing a robust system to maintain and continually improve health and safety, possible cost savings from public liability insurance premiums, demonstrating commitment to meet legal obligations and improving reputation of the suppliers and increasing opportunities for them to expand their business.

  The program initiative was continued in the Upstream Supply Chain this year with the RM suppliers, thereby leveraging the use of IT technology for a farther reach in the Supply Chain.

- **Apollo Natural Rubber Dirt Free Centres**

  Apollo Tyres has taken the lead in contributing to the quality improvement of Natural Rubber (NR) in India. The organisation has set up Dirt Free Centres where Natural Rubber Sheets are sourced from the farmers and graded using international practices. The grading is done using back lit tabletops.

  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.

- **Dealer Engagement**

  The Company continues to enhance its processes to offer its business partners the best-in-class service. It has formed a Management Advisory Committee of Business Partners with a view to gather constructive market feedback for improvement. To digitalise the entire distribution value chain, the business has created a strong IT platform to meet the demand from Retailers, dealers and distributors. These IT platforms have significantly improved the efficiency and effectiveness of order to cash Process and contributed to the simplicity of doing business.

GOVERNANCE

ENVIRONMENT

SOCIAL

Engaging with Communities

Apollo Tyres is committed towards inclusive development and empowerment of its communities. Its CSR strategy focuses on achieving corporate goals in alignment with the Sustainable Development Goals (SDGs).

The strategy is to enable inclusive growth by building on key partnerships and linkages to optimise existing resources in reaching out to a greater number of beneficiaries. To achieve this, all CSR initiatives are delivered through Apollo Tyres Foundation (ATF) registered in 2008 as a Trust.

In addition to the above, there are local initiatives under CSR that are organised in the vicinity of the Company's manufacturing locations like; Watershed Management projects.

As on March 31, 2023, the Company reached out to nearly 10 million beneficiaries since the inception of its CSR programmes.

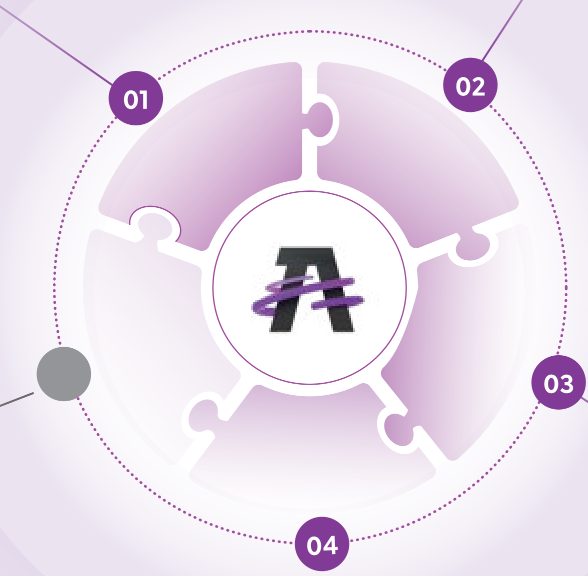
Healthcare for Trucking Communities

3 GOOD HEALTH AND WELL-BEING

Local Initiatives

6 CLEAN WATER AND SANITATION

The Company has categorised its CSR initiatives in four core thematic areas



Solid Waste and Sanitation Management

6 CLEAN WATER AND SANITATION | 5 GENDER EQUALITY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Livelihood for Rural Women

1 NO POVERTY | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

Biodiversity Conservation

14 LIFE BELOW WATER | 13 CLIMATE ACTION

GOVERNANCE

ENVIRONMENT

SOCIAL

The core themes

01 Healthcare for Trucking Community

3 GOOD HEALTH AND WELL-BEING

Goal 3
Ensure healthy lives and promote wellbeing for all

Truck drivers in India suffer from many lifestyles related health problems. Providing primary health care services to truck drivers is essential to improve their overall health and well-being. Long driving hours, alcohol and tobacco use, irregular eating schedule, and erratic sleep timings not only affect truck driver's physical health but also the emotional and mental health. Apollo Tyres is committed towards improving the wellbeing of its stakeholders. Truck drivers are the key stakeholders of the Company.

To address the healthcare needs of the trucking community, the Company has established 32 Healthcare Centres in transhipment hubs spanning 19 Indian states, providing healthcare facilities at the doorsteps of this community. The programme provides healthcare services such as prevention and awareness of HIV-AIDS, Vision care, awareness on Tuberculosis and other Non-Communicable diseases such as Diabetes, High Blood Pressure and General Treatment facility.

Over 1.1 million beneficiaries were outreached through Healthcare Centres in FY23.

The services under the Healthcare Initiative:

HIV-AIDS Awareness and Prevention Programme

Due to the constant travel, Truck drivers have been at an increased risk of HIV infections. Under HIV Awareness and Prevention programme services, ATF conducts awareness and sensitisation workshops with support of Peer Educators (Volunteers) to bring about behaviour change towards Sexually Transmitted Infection (STI), and Condom promotion. The programme also promotes diagnosis & treatment, and counselling through, Integrated Counselling Testing Centre (ICTC).

In FY23, 48,130 beneficiaries tested for HIV. Out of which 125 beneficiaries were identified as HIV positive. Under this programme, positive cases are also linked with Anti Retroviral Therapy (ART). **Also the Company established its first ART Centre at Vijaywada in partnership with Andhra Pradesh State AIDS Control Society (APSACS) during this financial year.**

Vision Care

Uncorrected vision contributes to more than 1.25 million road accident deaths each year in the world. Vision related issues are the common problem faced by the trucking community. Apollo Tyres identified Vision Care as a critical issue and started its vision care intervention for truck drivers in 2015. Under Vision care service, regular eye check-up facilities have been created in all the 32 healthcare centres. ATF has partnered with Essilor India PvT Ltd (2.5 NVG), to provide low-cost affordable eye care services to the beneficiaries with refractive error issue. ATF also links people with Cataract issues with Government Hospital for further treatment.

For FY23, a total of 81,968 beneficiaries were tested for vision screening, out of which 43,294 beneficiaries were identified with refractive error issues. Over 10,867 beneficiaries received spectacles.

Awareness on Tuberculosis (TB)

Tuberculosis (TB) is the second leading infectious killer after COVID-19. HIV coinfection is the prime risk factor for developing active TB in the high burden setting.

To support the Government of India's National Strategic Plan for eliminating TB by 2025, ATF began its TB awareness initiative in the year 2017. ATF has partnered with the Ministry of Health and Family Welfare (Central TB Division), The Union, and USAID and established 17 Designated Microscopy Centres (DMCs) at transhipment hubs to provide testing and treatment facilities for its beneficiaries. Also, ATF is linking TB positive patients with Directly Observed Treatment (DOTs)services for effective treatment in the reporting year.

In the FY23, the Company has established 4 DMCs in partnership with Central TB division at Hyderabad, Raipur, Nagpur and Jalandhar locations.

For FY23, a total of 12,461 beneficiaries have availed TB

testing facility, out of which 320 beneficiaries were identified as TB positive. 85% of the total positive cases were linked with DOTs Indeterminate.

> I am a truck driver and my name is Kadak Bahadur Thapa. I was tested with Tuberculosis a year back, which perturbed me to an extent that I felt that I might die. That's when I came across an outreach worker from ATF, who helped me with free DOTs treatment for 6 months along with the nutrition support worth ₹ 500 per month under the Government scheme. Today I am free from TB.

Non-Communicable Disease

Based on the findings from the 32 healthcare centres, Diabetes and High Blood Pressure were identified as two significant risks that effect truck drivers. In order to address the problem, the Company added testing facility for both the risks. Diabetes screening and blood pressure check-ups are conducted across the healthcare centres.

For FY23, around 65,906 beneficiaries were screened for diabetes out of which over 12,000 were identified at risk of diabetes and 80,141 beneficiaries were tested for blood pressure.

General Healthcare and Treatment

The Healthcare Centres work as a one-stop facility, providing generic treatments for seasonal cough, flu, stomach dysentery and other basic First Aid features to the beneficiaries.

Interventions

A. Partnership Approach

ATF is committed to SDG 17-Partnership for Goals and in the process of achieving the same, it has partnered with like-minded organisations (public and private sector) to bring about a catalytic impact. ATF fosters collaborative approach for the wider outreach of its services.

It has partnered with State AIDS Control Society, Central TB Division, Ambuja Cement Foundation, Essilor Foundation, Ashok Leyland, The Union, USAIDS, ACC cement for implementation of various Healthcare services.

B. Peer Educator (PE) Involvement

Peer Educators, or volunteers play an important role in creating awareness about health services and referring the beneficiaries to Healthcare Centres for availing the treatment facilities. PEs are typically mechanics or owners of small restaurant (dhaba) and barber shop, and street vendors, etc. who are based at transhipment hubs and remain in close contact with truck drivers. The programme has mobilised over 1,000 PEs who provide voluntary services for the healthcare programme across locations.

In the reporting year, 75% increase (298,915) in the peer led outreach programme compared with FY22

C. Presence of All Health Services at Doorsteps (Mobile Medical Units)

As an extension to ATF's static Healthcare Centres, mobile alternatives have continued to enhance the access to healthcare service for trucking community. Mobile medical units (Apollo Healthcare Express) provide its services at highways, district borders and trucking halt points. The mobile medical units are currently operational at Delhi, Namakkal (Tamil Nadu), Cuttack (Odisha) and Chhindwara (Madhya Pradesh).

In the year 2023, under peer lead outreach initiative, the Company engaged with LGBTQI community at six Healthcare Centres (Hyderabad, Ludhiana, Kanpur, Agra, Indore and Vijayawada). This initiative envisages integration of LQBTQI community members as peer educators with the purpose of awareness building and reaching out to more beneficiaries.

GOVERNANCE ENVIRONMENT SOCIAL

02 Solid Waste Management and Sanitation

Goal 6
Clean Water and Sanitation

Goal 12
Responsible Consumption and Production

India generates over 0.16 million Tons of waste Per Day (TPD), out of which about 0.15 million (TPD) is collected, which is approximately 95.4%. Out of the total waste generated per day, 31.7% waste generated remains unaccounted.

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 12: Responsible Consumption and Production.

This initiative aims at providing comprehensive solution for better health and hygiene which includes proper waste management and promoting the use of toilets.

SPARSH stands for:

- **S** Segregate Waste
- **P** Practice Composting
- **A** Awareness Generation
- **R** Reduce-Reuse-Recycle
- **S** Safe Sanitation
- **H** Hygiene for All

Clean My Transport Nagar (CMTN), Clean My Village (CMV), Sanitation Management and End- of-life Tyres (ELT) projects are initiated under SPARSH initiative.

Total outreach increased by 6.62% in comparison with FY22. In FY23 a total of 107,150 beneficiaries were outreached through SPARSH initiatives.

Services under SPARSH initiative:

i. Clean My Village and Transport Nagar

ATF 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.

ii. Sanitation Management

With a view to provide access to sanitation, the Company has constructed toilets with bathing spaces for the underprivileged communities around Chennai, Chinnapandur and Limda manufacturing locations. In the reporting year, **the Company has constructed 113 toilets with bathing facilities, benefitting 2,642 people and declared 1 village Open Defecation Free (ODF), total 7 ODF villages in Tamil Nadu region.**

This initiative is a true representation of Public Private Partnership as the support is provided by the Government, ATF and the voluntary contribution by employees.

iii. End of Life Tyre (ELT) Play Spaces

The Company constantly looks for methods and processes that help in greening the product life cycle. Recycling of used tyres is a critical part of the Company's sustainability strategy. The End-of-Life Tyres Playgrounds (ELT) is one such initiative where the company converts waste tyres into exciting play structures. **The Company has constructed total 11 ELT playgrounds so far, positively impacting over 7,000 beneficiaries.**

For FY23, a total of 965 metric tonne (MT) waste was collected. Out of which around 9.5 % wet waste was collected.

03 Livelihood for Rural Women

Goal 1
No Poverty

Goal 5
Gender Equality

Goal 8
Decent Work and Economic Growth

Programme Navya, a livelihood initiative for rural women aims at providing skill building and income generation opportunities at the doorsteps of the beneficiaries. The programme is aligned with SDG1- (No Poverty), SDG5-(Gender Equality) and SDG8-(Decent Job Creation and Economic Growth).

Under Navya, women are trained in agriculture and non-agriculture activities such as rubber sheet making, apiculture (honey production), khakhra making, tailoring, organic farming, upcycling products from waste, livestock care and management and others for income generation.

Post training women are further linked with financial institutions for credit support and market linkages are also established to promote the business of the women. The programme has established linkages to leverage government schemes.

There has been an increase in the women outreach by 85% (1,579 women) in comparison with FY22. The fiscal also saw a 53% (1563 women) increase in trained women participating to start income generation activities as compared with FY22.

Total 5,100 women were linked with various Government welfare schemes and have availed benefits worth ₹ 4.05 crores.

Beneficiary Testimony:

> Income generated from being a part of this unit (mushroom cultivation) has been most useful for paying the school fees of my children who now attend private school. I feel proud about being able to contribute in this way to the household.
>
> **Usha, Nivedhyam - Mushroom Cultivation, Vazhoor, Kottayam**

> Owing to my husband's alcoholism, the family was financially strained. SHG provided me a loan of ₹ 10,000/-. I used the amount for repairing my husband's broken three-wheeler to restart income generation from it. This worked as a turning point in my life.
>
> **Geethaben Shantilal Parmar, SHG Leader and Role Model, Narmadapur, Baroda**

04 Biodiversity Conservation

Goal 13
Climate Action

Goal 14
Life Below Water

Biodiversity Conservation is a global theme for the Company, wherein it has undertaken projects in India, Hungary, and the Netherlands. In Europe, Apollo Tyres has undertaken two projects at Stadbeek in Enschede, The Netherlands and Conservation of Bukk National Park, Gyöngyöshalász, Hungary.

As part of ACE initiative in Netherlands, the employees at the Amsterdam Office order fruit basket from 'Fruitful Office', a Company that delivers fresh fruit to offices. For every basket ordered they plant one fruit tree in Malawi in Africa to fight deforestation and provide additional income to the community by sale of fruits. This initiative has been in place since Oct 2022 and is aligned with SDG 13 (Climate Action).

In India, mangrove conservation is a key initiative by the Company implemented in, Kannur district, which is the largest Mangrove village in Kerala with the aim to restore the endangered mangrove species Under this initiative, ATF conducts awareness sessions for local communities addressing the threats to mangroves, followed by setting up of mangrove nursery driven by community -based initiatives.

For FY23, a total of 5,954 beneficiaries were outreached through various awareness activities under Mangrove Conservation initiative.

To further mitigate climate change, afforestation projects are being implemented in Tamil Nadu and Gujarat.

Under the afforestation initiative in Tamil Nadu, plantation of 3.5 lakhs teak trees are being maintained. The project also engages with farmers for providing agriculture interventions for enhancing soil productivity. In Gujarat, a total of 25,000 sq. Ft area of land is utilised to plant 10,000 trees of 84 varieties of species under Miyawaki afforestation project by ATF.

Local Initiatives

Goal 6:
Clean Water and Sanitation

Local Initiatives are designed based on the local requirements of the communities. These initiatives are implemented in the communities which are in a radius of 35-45 km of the Company's manufacturing locations. Details of such initiatives are:

India Initiatives:

Water Conservation project is an integral part of this initiative and is mapped as per local community requirements. There are two projects implemented under water conservation category:

a. Access to purified drinking water:

Through this initiative beneficiaries have access to purified drinking water. The Company has set up four RO drinking water plants at plants at Orgadam village, Chennai, Tamil Nadu and Chinnapandur village, Chittoor, Andhra Pradesh. Around 1,591 households and over 6,396 beneficiaries have benefited.

b. Eco restoration of ponds:

The Company has mapped the condition of water bodies through research studies in the communities around its manufacturing locations. Based on the findings, the Company has restored few ponds in Chennai, Tami Nadu, Limda, Gujarat and Perambra, Kerala.

The main objective of this initiative is improving the condition of water bodies, restoring, and enhancing the aqua biodiversity. A total of 14 ponds, covering an area of 3 lakh square feet have been restored through pond deepening, desilting, bunding and maintenance activity. Around 192,228 beneficiaries have availed the benefits from the restored ponds.

At Baroda location, ATF supports the Gujarat Government's Pond deepening initiative under the Sujalam Sufalam Jal Sanchay Abhiyan (SSJA). Under this scheme, ATF has restored one pond in Antoli village of Waghodia block in Baroda district. A total of 303 households with 1,292 beneficiaries directly benefitted with pond restoration activity.

In addition to watershed management initiatives in India, Europe locations also organised various community based local initiatives:

Europe Initiatives

In FY23 the Company introduced an employee led initiative, ACE (Apollo Tyres CSR in Europe) focusing on volunteerism.

At the Enschede and Amsterdam facilities a 2 week-long charitable drive was organised, called as **ACE-ing it for Voedselbank**, which witnessed a participation of 770 employees in the drive and donated around 23 crates of non-perishable food items to underserved communities.

In Hungary, employees engaged in a 'Shoebox' campaign organised by Hungarian Baptist Aid. The campaign encouraged employees to pack donations into shoeboxes which were then given as Christmas presents to children in need. A total of 44 gifts were donated in this initiative by our Hungarian employees.

At Hungary plant, periodic blood donation camps were organised and over 175 employees volunteered for blood donation.

Apollo Tyres, via its Vredestein premium tyre brand, has collaborated with Manchester United and launched a programme of 'Soccer School' days across Europe in 2023, providing children and young people with exclusive coaching sessions that encourage exercise and foster personal development. The 'Soccer School days' coaching sessions will be delivered in Italy, Poland and the Netherlands.

Apollo Vredestein in Germany has taken various local initiatives linked with marketing campaigns such as: Fuel up and Donate where the consumer gets a fuel voucher offered in exchange of old tyres (ELT) (worth 40 euros) which he/she chooses to donate. The Company matches value of the voucher for charity purpose.

Additionally, every quarter the Company engages its employees in endurance-based campaigns to raise funds for the treatment of kids suffering from cancer. The Company matches the funds raised by employees.

Apollo Vredestein recognises road safety as an important area of focus for its consumers. The Company sponsors monthly features stories focusing on road safety in Auto Motor Sports magazine.

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 youths to providing healthcare support and distributing ration to the underserved community.

Engagement

To engage with stakeholders and promoting partnership, the Company had launched campaigns focussed on our core themes:

1. **Partnership for Action Against Tuberculosis (PAcT) Campaign**

   The Company supports the Government's TB elimination programme and organised Partnership for Action against Tuberculosis (PAcT) event aligned with 'Azadi Ka Amrit Mahotsav' (75 years of India's Independence). This year marks its 6th edition.

ATF has sponsored 75 TB patients for providing nutritional support. Dr Mansukh Mandaviya, Minister of Health and Family Welfare and Chemicals and Fertilisers, Government of India distributed nutritional baskets to 5 TB patients who are sponsored by Ni-Kshay Mitra Apollo Tyres Foundation, under the Pradhan Mantri TB Mukt Bharat Abhiyaan.

The Honorable Minister of Health and Family Welfare and Chemicals and Fertilisers, Government of India also flagged off 75 trucks with TB messages facilitated by ATF. These trucks would travel across the States and will carry the message right to the general publics.

2. **Ek Naam Campaign - Edition-5**

   To promote the livelihood of the rural women, ATF organised the 5th edition of 'Ek Naam', a social media campaign. To celebrate International Women's Day, ATF felicitated and recognised the outstanding work of eight Change Agents who have made a difference in their families and working as catalysts for change. In the past five years the Company has felicitated the outstanding work of overall 40 rural women.

3. **Environment and Nature Quiz**

   To create awareness on Environment Sustainability, ATF organised an Environment and Nature Quiz competition, featuring participation of 44 students from five coastal states (Gujarat, Maharashtra, Tamil Nadu, Kerala, Andhra Pradesh) of India.

Impressions

Green Championship Award 2022

The Company's Chennai plant was awarded with the Green Championship Award from Tamil Nadu state Government for its environment and sustainability promotion initiatives.

GOVERNANCE

ENVIRONMENT

SOCIAL

Performance against Sustainable Development Goals

17 PARTNERSHIPS FOR THE GOALS

SDG- 17:

Partnership for the Goals

Refers to the cross sector and cross collaboration. The Company works in partnership model with like-minded organisation for wider outreach and impact.

SDG Goals and Target Mapping

Sr.No	Initiative Name	Linkage with SDG
01	Healthcare for Trucking Community	**Goal 3:** Good Health and Well Being
02	Solid Waste Management & Sanitation	**Goal 6:** Clean-water-and-sanitation **Goal 12:** Responsible Consumption and Production
03	Livelihood for Underprivileged Women	**Goal 1:** No Poverty **Goal 5:** Gender Equality **Goal 8:** Decent Work & Economic Growth
04	Biodiversity Conservation	**Goal 13:** Climate Action **Goal 14:** Life Below Water
	Local Initiative (Eco restoration of ponds) Access to purified drinking water	**Goal 6:** Clean Water & Sanitation

Philanthropy Initiatives: The Company also undertakes philanthropy initiatives to provide education support to underprivileged youths and girls, ration support to homeless people to eradicate hunger and poverty and healthcare support to disadvantaged communities. These initiatives are linked to SDG: 4 Quality Education and SGD 3: Good health and well being

SDG target		Performance against the target (cumulative)	
End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases other communicable diseases.	Total **11.60 million** beneficiaries by 2026	Total **8.3 million** people outreached through Healthcare Programme for Trucking Community	
Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation.	Total **11 villages** ODF by 2026	Total **7 village** panchayats were declared Open Defecation Free (ODF)	Over **6.97 lakh** people were outreached under waste management initiative
Achieve the environmentally sound management of all wastes.	Total outreach through awareness activities to **950,000** beneficiaries by 2026	Total **11,176 metric ton (MT)** waste was collected. Out of which **1,089 MT** was biodegradable waste, and **10,123 MT** was non-biodegradable waste.	Total **11 End** of **Life Tyres** play spaces constructed. Nearly **1,621 waste** tyres were recycled
Substantially reduce waste generation through prevention, reduction, recycling, and reuse.			
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 2026	Reached out to over **17,000** rural women Over **14,000** women have received income generation training	Over **9,500** women are directly involved in decision-making process.
Promote decent job creation, entrepreneurship.	Total women in income generation **15,000** by 2026	Over **8,600** women are involved in income generation	More than **100** group enterprises established, engaging over **3,000** women directly.
Strengthen resilience and adaptive capacity to climate-related hazards. Improve education, awareness-raising on climate change mitigation, adaptation	Total awareness outreach to **400,000** beneficiaries on Environment conservation by 2026	**350,000** teak trees are planted under Afforestation project at Tamil Nadu region. Under Miyawaki project total **10,000 trees** of **80 plant species** are planted in Gujarat region.	Under Mangrove Conservation Project, covering **10.4 acres** of land. Over **2.33 lakh** beneficiaries outreached from Biodiversity Conservation initiatives
Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	Total **530,000** beneficiary outreach by 2026	**15 ponds**, covering area of over **3.5 lakh square feet** were restored. **Over 1.94 lakh people** are benefitted from restoration of the ponds	
Achieve universal and equitable access to safe and affordable drinking water for all		**Three RO drinking water** plants installed at Chennai and Chinnapandur location	**Over 1,591 households** and more than **23,000 beneficiaries** benefitted with the facility

The People Pillar

OVERVIEW

Apollo Tyres Vision - Driving Progress, Together - and people are an integral part of the process. Human capital is a crucial intangible asset for any business, and it refers to the collective knowledge, skills, abilities, and experience of the people working for a Company towards economic growth, productivity, and profitability. **Apolloites pursue performance excellence through shared goals, leadership, collaboration, open communication, clear role expectation and a strong sense of accountability and trust.**

18,850
Human Capital at Apollo

APOLLO ONE FAMILY

The Company's core values, make it unique and distinctive. Apolloites are strongly driven by global value of 'One Family' that empowers them with a sense of purpose at the workplace. The Company takes responsibility for enabling excellence and embedding sustainability in its core values to ensure economic viability, environmental protection, and social equity. The Company and its people are committed to follow its passion, vision, and values to reach greater heights.

WE BELIEVE IN DIVERSITY AND INCLUSION

Apollo is home to a multi-cultural, multi-generational (balanced representation of Baby Boomers, Gen X, Gen Y and Gen Z) and gender diverse workforce.

44
Nationalities

8%
Gender diversity

4
Generations

The Company is committed to nurturing Diversity, Equity, and Inclusion in the workplace. Apollo Tyres' culture provides a safe work environment, free from discrimination and biases. The Company is committed to its **global target of 12%**, by FY26 for gender diversity. It demonstrates its core value of 'One Family' with vigour and passion. Like a unified family, its people stand together during adverse situations, learning from failures and celebrating success.

The Company believes that effective and active listening to employee creates a positive workplace culture and can also help in building trust, forging strong relationships and resolving conflicts. It seeks continuous feedback from the workforce, and this is what the employees have to say:

APOLLO VOICE

91%
Of Apolloites believe that they treat each other with dignity and respect regardless of their personal identities

90%
Of Apolloites in India voiced that they are treated fairly regardless of their gender

90%
Of Apolloites voiced that Apollo provides a working environment free of discrimination and harassment

90%
Of Apolloites in India voiced that they are treated fairly regardless of their sexual orientation

Apollo tyres has established an Internal Compliant (IC) mechanism to prevent adverse consequences of discrimination in accordance with the POSH Act. The Company conducts IC members meeting quarterly and maintains various norms while handling POSH complaints.

To ensure effective abolition of child labour and assess compliance on human rights, Internal Audit team conducts audit across the Company's manufacturing facilities.

Events celebrating Diversity & Inclusion at Apollo

International Women's Day

#WomenAtApollo are the centrifugal force behind the Company's growth and success. In March 2023, the Company celebrated the IWD, strengthening its commitment to gender diversity.

Apollo Women in our Plants

The Company's Limda plant set an example in the fiscal by hiring 18 women, from Gujarat and Bihar respectively for the 2-wheeler plant. Steps have been taken to ensure a safe working environment, ensuring mentorship, training and capacity building for their skill enhancement.

We celebrate together

In FY23, Apollo Tyres organised several onsite celebratory events such as Family Day, Baisakhi, Diwali celebrations and so on, reinforcing its 'One Family' value and the culture of 'Celebrating Together'. The Company invites employees and their extended families in all such events.

Apollo Amsterdam office celebrated the first day of spring with a potluck culture lunch, where they got food from India, China, Turkey, Vietnam, Macedonia, Germany, Netherlands, Qatar, and Indonesia.

Diwali Celebrations at our offices

Christmas and Pongal

Paris Marathon

The streets of Paris turned blue with Vredestein flags, for the 20 km Paris Marathon. Apollo Tyres was represented by 51 members from across Europe.

New Delhi Marathon

The Apollo Tyres New Delhi Marathon was held on February, 2023 with a massive participation of 16,000 runners including employees in the Full Marathon, Half Marathon, 10K and 5K Runs. The event was flagged off by the the Company's Chairman, Mr. Onkar Kanwar and President (APMEA), Mr. Satish Sharma. The event also saw the presence of Olympic Champion and World Record Holder, David Rudisha as well as Khel Ratna and Padma Shri Awardee, Anju Bobby George who motivated the winners to 'Go The Distance' and perform at their best.

We play together | 2022 Unstoppable Cup

After two years of pandemic induced disruption, it was time for people to again gather as 'Apollo One Family' and celebrate the achievements and milestones, along with the Chairman's birthday. During the week, the Company also hosted the Unstoppable Cup, Apollo's own much celebrated and anticipated cricket tournament, where the joys of teamwork and camaraderie are celebrated on the field.

75 Years of Enschede Plant

As Apollo Tyres' manufacturing plant in Enschede, the Netherlands, completed its 75 years, it celebrated this great milestone with much grandeur and fervour. It celebrated the diamond jubilee with the employees in Enschede, the Grolsch Veste.

> In a global multinational Company like Apollo Tyres, we get to work with people from different cultures around the world. Along with working on projects with diverse teams, we also celebrate different festivals together. This testifies that we truly live by our 'One Family' value.
>
> **Ravi Shingari, Group Head, Corporate Taxation & Accounts**

We are 'One Family'

The Industrial relations have been cordial, and all statutory compliances have been complied on time. Regular interactions have been conducted with all stakeholders, management, employee representatives and the trade union leaders to improve productivity, cost-reduction, and the working environment of the plant. Various forums enabled effective resolution of employee grievances and queries. In-house training programmes were conducted to facilitate overall safety and health. Many employee welfare and engagement initiatives were rolled out throughout the fiscal like birthday celebrations, family engagements, factory day celebration, local festival celebrations, sports activities, etc. across all locations. These initiatives helped the Company maintain conducive relations and kept the employees motivated during the fiscal.

OUR STRATEGIC FOCUS AREAS

APOLLO 'PRIDE'

Apollo Tyres is a leading player in the tyre industry and with its distinguished reputation, it has managed to attract talent in the industry in the past years. However, with a fast moving and competitive business landscape, a strong employee value proposition (EVP) is what will make the Company unique and distinctive from its competitors to attract and retain talent.

Apollo Tyres as Great Place to Work (GPTW) | India

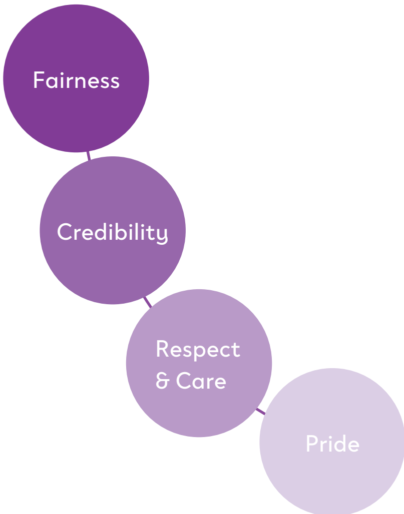
For the 10th year in a row, Apollo Tyres has been certified as a #GreatPlaceToWork by the Great Place to Work® Institute (India). The Company champions ideas that inspire it to think big, be brave and challenge the ordinary. It is committed to fostering an inclusive culture that unites employees, business partners, stakeholders and the community together, towards building a responsible and sustainable business that contributes to the society.

Trust is the main ingredient in building a Great Place to Work. It establishes a positive work environment, facilitates collaboration and teamwork among employees.

> Certified as a Great Place to Work 2023 in India, Apolloites are more likely to feel comfortable sharing ideas, taking risks and collaborating on projects, making Apollo a progressive and successful organisation.

Great Place To Work. Certified MAR 2023 – MAR 2024 INDIA

Apollo is seen as an organisation that values:



Apollo Tyres features in the list of 'India's Finest Workplaces'

Apollo Tyres was featured in March 2023 in ET Now's 'India's Finest Workplaces' - a series that highlights organisations' work environments and best practices adopted to improve the work culture. It encapsulates interaction with important stakeholders and employees from the Company, featuring shortlisted organisations as the India's finest companies to work for.

Driven by its value of 'One Family', the Company creates and nurtures an inclusive culture that brings its people, partners, and community together. It takes immense pride in formulating and practising some of the industry's most progressive and people-friendly policies keeping in mind the overall well-being of the people.

Apollo Tyres as Top Employer certified | Singapore and UK

The Top Employers Institute is the global authority on recognising excellence in people practices. To be eligible for the certification, the Company must have advanced HR practices and at least 2,500 employees globally.

The survey covers six HR domains consisting of 20 topics including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity & Inclusion, Well-being and much more via a vigorous process of data submission and audits. All participating organisations receive objective insights into their employee conditions via a detailed feedback and benchmark report, and only a few qualify for the certification after a rigorous process of four months.

The Company is proud to be certified as Top Employers in Singapore and in the UK, for 2023.

These certifications reinforce the Company's commitment to its people and business and display its dedication of creating a better workplace culture through the best-in-class HR policies and people practices.

top EMPLOYER SINGAPORE 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER UNITED KINGDOM 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Attracting Talent

The Company's talent acquisition approach focusses on developing a strong organisational brand and culture. It focusses on attracting fresh talent to be leaders of tomorrow through Apollo Summer Internship programme, providing opportunity to interns from premier management institutes. (e.g., IIM, IIFT, NITIE, NMIMS, MICA, DMS IIT, IRMA). The interns work on projects closely with the leadership team across functions like sales, marketing, supply chain management and finance.

Here's a glimpse of interesting exchange with MBA students at the Business Networking Event of University of Amsterdam - Amsterdam Business School.

Participation in a job fair in Hungary, attracting top talent.

In Europe, in the Finance and Supply Chain Management functions, the Company has launched different training programmes for recent graduates to gain experience. The trainees participate in rotating assignments and are gradually allocated more responsibilities before they take up a permanent job role in the organisation.

Headcount	Employees			Workers			Total Headcount		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent	3,749	294	4,043	6,091	197	6,288	9,840	491	**10,331**
Other than Permanent	109	21	130	8,101	288	8,389	8,210	309	**8,519**

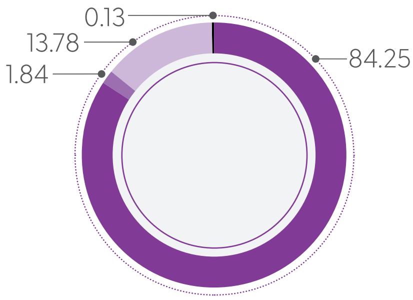
No. of Differently abled people - 18

Employees & Workers by Age Group	Employees			Workers			Total Headcount		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 Years	623	71	694	1,150	51	1,201	1,773	122	**1,895**
30-50 years	2,111	713	2,824	3,589	107	3,696	5,700	820	**6,520**
> 50 Years	482	43	525	1,352	39	1,391	1,834	82	**1,916**

	< 30 Years			30-50 years			> 50 Years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees hired	270	50	320	411	58	469	58	6	62

Turnover by Age Group	Employees			Workers			Total Headcount		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 Years	155	43	198	218	21	239	373	64	437
30-50 years	316	37	353	145	14	159	461	51	512
> 50 Years	39	7	46	93	7	100	132	14	146

Regions (in %)



GLOBAL TALENT MANAGEMENT

Apollo believes in putting its people first, along with empowering them with opportunities to grow. Its talent management framework ensures that Apolloites are provided with adequate opportunities to learn and grow not only in their roles but across functions and geographies.

Through its new internal career portal, vacancies and career paths are better visible and accessible. This has led to an increase of internal career moves.

Its internal mobility opportunities ensure that its current talent pool is rotated into roles where they can further add value through acquired experience and mentorship to younger generation in the workforce across regions and functions. The multigenerational workforce model within the Company has proven successful over the years as it brings vivid perspectives, skills and experiences to the table which helps it thrive in today's rapidly changing business environment.

In addition, to ensure continuity in leadership and operations within Apollo, the Company has rolled out **APEX (Apollo People Excellence)**, which encompasses the 9-box grid, critical role identification and succession planning. This exercise involves identifying and developing internal employees based on their performance and potential and helps to build a strong bench of talent that can be called upon in the future to take on important roles within the organisation.

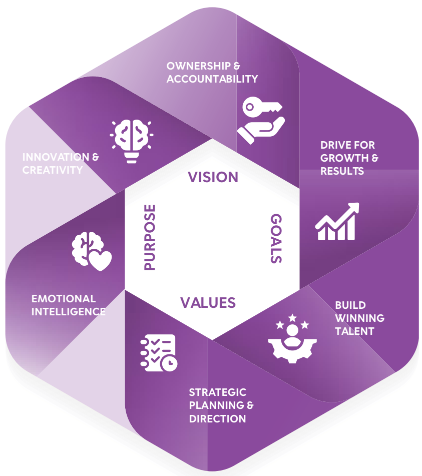
The potential mapping is intricately linked to the **Apollo Leadership Competency Framework**. As the Company moves forward in achieving its vision of 'Driving Progress, Together,' it is committed to develop a rich talent that empowers its people to evolve, ensuring that the existing employees are fully equipped to grow in their careers at Apollo Tyres.

Based on inputs from the top leaders across the organisation and external experts on competency frameworks, the Company has carefully crafted a tailor-made **leadership framework** designed to prepare the next generation leaders to succeed in this ever-evolving business world. Driven by ownership and accountability, it aims to build leadership behaviour at all levels. Through an entrepreneurial culture, the Company wants to build an innovation-driven mobility company that is underpinned by technology and steered by the winning talent of Apollo Tyres.

In this process, top ~30% of the reviewed talent is assessed for future potential mapping, via psychometric analysis. Selected employees are taken through psychometric assessments, using the Company's partner Lumina SPARK. Lumina SPARK provides the Company with accurate, personalised portraits of the employee, focussing on increased self-awareness and practical development points to assess and improve communication, teamwork, and leadership.

Through **Apollo Laureate Leadership Development Flagship programme**, the identified leaders of tomorrow strengthen Apollo leadership competencies, enabling them to achieve and unleash their full potential and positively impacting business outcomes.

Apollo leadership competency framework



ESTABLISHED LEADERS PROGRAMME
More than 80 leaders impacted globally

01

Designed for Heads of Departments/Functions in the region or a corporate sub-function

Program includes Self-discovery with Lumina SPARK, customised content from MIT Sloan Management, and interactive webinars with Laureate alumni and senior leadership

EMERGING LEADERS PROGRAMME
More than 80 leaders impacted globally

02

Designed for middle Managers

Program includes Self-discovery with Lumina SPARK, customised content from MIT Sloan Management, interactive webinars with Laureate alumni and senior leadership, and a mentorship program

FUTURE LEADERS PROGRAMME
More than 80 leaders impacted globally

03

Designed for first line Managers

Program includes Self-discovery with Lumina SPARK and customised programme with IIM- Bangalore (APMEA) and MindGym [EU]

REWARDS AND RECOGNITION

Apollo Tyres takes an integrated approach to compensate employees both monetarily and non-monetarily through rewards and benefits like, flexible working hours, recognition towards significant contribution, and career development opportunities. This approach helps the Company in attracting, retaining, and motivating talent by offering comprehensive rewards package.

The Company strongly aligns rewards to the performance outcomes, through a merit-based pay system. This helps in incentivise and reward the top performers, while also encouraging continuous improvement and development.

To foster job satisfaction, motivation, loyalty, and a positive workplace culture, Apollo Tyres actively considers both extrinsic values (e.g., Material objects and/ or payments) and intrinsic values (e.g., Global mobility opportunity and career opportunities) in the reward framework.

Global recognition initiatives also align with Apolloite's journey in the organisation, focusing on Performance (Roll of Honour and Chairman's Employee of the Year), Long Service (Apollo Pillars), Appreciation (Recognition Badges), and Celebration (Chairman's Recognition Week).

In FY23, a significant percentage of the employees have been recognised globally with over 20,000 badges exchanged during **Chairman's Recognition Week**. Additionally, recognition activities such as Sponteneo and Wall of Fame also took place at the local level, recognising the contribution and performance of Apolloites across manufacturing locations.

The Company celebrates long service of its employees achieving key milestones such as 5 years, 10 years, 15 years, 20 years, and so on, to recognise and reward the long-term contribution and commitment of the employees towards the growth and success of the organisation.

> A sense of happiness you feel when you are recognised for your work makes you realise your self-worth. At Apollo Tyres, we have Chairman's Recognition Awards which are given every year and recently when I was nominated for the 'Role of Honour' award, I felt a sense of pride to be an Apolloite.
>
> **Aparna Venkatesh Babu, Associate Manager, PCR Technology, Chennai Plant**

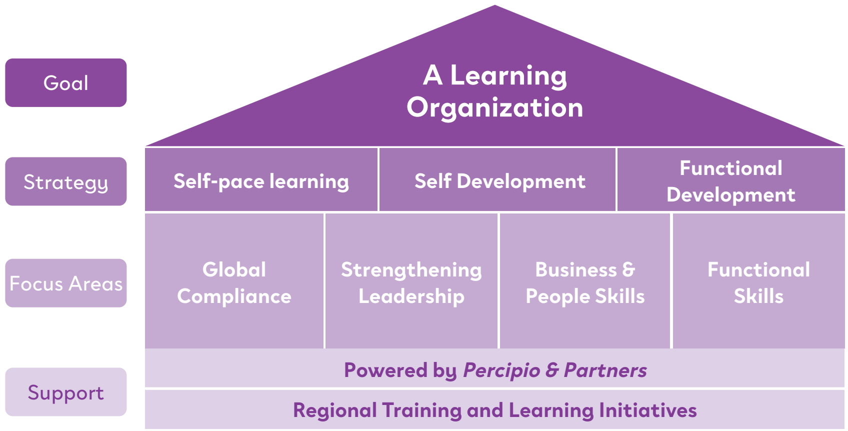
APOLLO TYRES - A LEARNING ORGANISATION

The Company is rigorously working towards making Apollo Tyres a learning organisation. It strives to achieve an improved work culture that harnesses each employee's skill set, encouraging and cultivating an innovation mindset that is at the core of its corporate identity. It gives importance to continuous learning and development at all levels of the organisation and creates a culture that supports ongoing growth and improvement. This helps the Company is building talent by creating opportunities for employees to learn, grow, and develop new skills.

To sustain the Company's competitive edge, it is crucial to develop and nurture a learning organisation where people are not just provided with opportunities but are deeply entrenched in learning for both their personal and professional growth and development. In FY23, the Company broadened its learning and development opportunities across various modalities under Apollo Virtual Academy and started its journey towards building a self-learning culture, encouraging Apolloites to take charge of their self-development. Key learning themes were identified as focus areas that guided the development of learning initiatives globally.

To provide an excellent start to the new joiners, it has introduced a new induction programme, in which new employees learn about the Company's history, purpose, values, product, and management.

> I am fairly new to the Apollo family and my experience so far has been accelerating. I come from a non-corporate culture and it's new to me. But I have been closely mentored and guided by leaders to shine and grow. Today I am a proud MC and manage all events in the Apollo House.
>
> **Harnoor Chana, Associate Manager, Administration**



354,577

Man hours training in FY23

Global Compliance

As Apollo Tyres expands its global footprint, adhering to local legislations and business practices becomes very crucial. To facilitate the Company's growth in new markets, the Apollo Global Code of Conduct has been strengthened in the last year with sub-pillars of the code developed for Apolloites in key locations outside of APMEA. This year, additional modules on ethical dilemmas were also introduced, to ensure that employees increase their knowledge on integrity, business ethics and social responsibility.

The Company rolled out refresher training for all global employees with support of compliance team achieving a significant percentage of participation across the business.

Strengthening Leadership

Leadership development is not only a part of succession planning in the Apollo talent management process, but it also takes place across leadership levels regionally and locally. This helps to build organisational capabilities, enabling Apolloites to adapt to changing business needs, new opportunities, and competitive pressures.

To facilitate self-paced learning and self-development, Skills Benchmark of leadership competencies and capabilities were made available to Apolloites through the internal learning platform, Percipio. This provides Apolloites with the opportunity to assess their leadership capabilities against a normed population, and based on their competency level, access personalised learning content.

Additionally, local, and regional leadership development programmes such as the Evolve program at the Limda plant and the High Impact Excellence Program in EU also took place with a focused population of future leaders, driving the development of Apollo's collective leadership for the future.

Business & People Skills

Based on the research from the World Economic Forum (WEF), the landscape of learning and work is changing: 50% of employees will need reskilling by 2025, and 94% of business leaders also expect employees to learn new skill on the job. Bringing these statistics together with Apollo's ambitious business targets, it is important for Apolloites to not only be continuously learning on the job, but also develop a hunger to learn beyond what they need today and prepare for a challenging tomorrow.

To support the goal of building a learning organisation, the Company has revamped its learning library in alignment with the WEF's Top 10 skills of 2025. In addition, the Expert Speaks series was developed to bring in an external perspective on key learning topics identified through partnership with Lee Hecht Harrison. This series also enabled global peer-to-peer interaction and learning across leadership levels, supporting the learning journey of truly global and multi-generational employees.

Functional Skills

Given the ever-evolving business landscape, functional learning was also identified as a focus area for Apollo Tyres to ensure Apolloites develop the necessary skills and knowledge to stay competitive in their respective fields and perform effectively.

Apart from specific functional training (e.g., Procurement, R&D, Digital IT etc.), the Company has also launched the very first digital training of Apollo products through Apollo LXP – this enables efficient training on products for the sales and marketing teams globally through a shared knowledge base of Apollo products. In addition, the training was also extended to Apollo R&D globally, to further the understanding of current products as part of the innovation process for future product pipeline.

The final highlight of the fiscal was the global Apollo Total Quality Management (ATQM) training that was launched for all employees. Through this training, Apolloites were encouraged to adopt the ATQM framework in their everyday approach to work, adding to the overall effectiveness and efficiency of Apollo Tyres as an organisation.

In FY23, the Company widely focussed on delivering impactful functional learning journeys that are in line with the business needs such as Key Account Management and Advanced Negotiations for senior Sales Managers.

Learning Support Network

To increase access to learning via the internal learning platform, learning management was democratised to expand on internal capability in driving learning across the organisation. This enabled several other learning journeys to be launched and managed on the ground, specific to the local/regional level needs.

Overall, it was a great learning year for Apollo Tyres with a 5% increase above industry benchmarks of learning engagement with Apolloites. The overall engagement on learning and self-development is further validated by the exponential increase in learning hours clocked on Percipio, by Apollo learners, from 1,531 hours in year FY 2021-22 to 36,045 hours in FY23.

HR DIGITALISATION

The pandemic has shown us how digitalisation is essential for businesses to stay competitive in today's fast-changing business environment as it enables organisations to become more efficient and effective. In fact, digitalisation has been accelerated across businesses in the past two years – this is no different at Apollo Tyres. In the last year, the Company placed its people at the focal point and focused efforts on value creation amongst various stakeholder groups, from recruitment, onboarding, employee data management and performance management.

Starting with recruitment and onboarding, it has launched a more efficient and seamless process through the Horizon platform. While multi-channel job postings, job requisitions and interview process management can be initiated by HRBPs. Apolloites can also leverage the platform to either apply for an internal job posting, and/or, refer potential candidates for an open role within Apollo Tyres. Once a candidate has been confirmed for a role, the paperless onboarding process is then initiated through the same platform. In the second half of FY23, multiple job requisitions were created with more than 50 candidates successfully onboarded through the expanded platform.

In the Performance Management space, the Company launched the Apollo leadership competency assessment for all managers and above in the last year. With the clarity and alignment of performance expectations through this exercise that sets measurable goals and objectives, the Company fosters a high-performance culture and roadmap for achieving excellence within Apollo Tyres.

The most recent addition to round the year off saw the launch of the first Apollo Employee Self-service (ESS) portal that embraces the One Apollo experience with web and mobile application access across 27 countries. Apollo ESS has been designed to empower Apolloites with a more convenient, flexible, and efficient way to access HR services and information, thereby driving accountability in individuals and a more productive workforce overall.

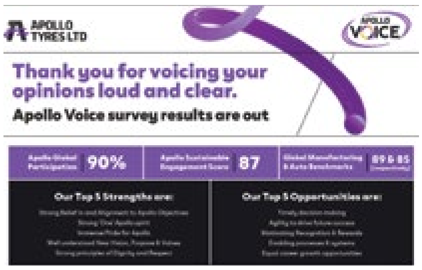
By embracing digital technologies, Apollo can unlock new opportunities and drive growth and innovation in the longer term as the time saved from more efficient management of HR processes can now be spent focusing on more strategic initiatives.

EMPLOYEE ENGAGEMENT

In today's competitive environment, employee engagement has emerged as one of the most important drivers of business success. High employee engagement promotes the retention of talent, fosters customer loyalty, improves organisational performance and stakeholder value.

This fiscal has seen the launch of the Company's very first Apollo Global Ideathon where Apolloites were invited to share transformative ideas that could help Apollo anticipate and solve future challenges. This ground-up initiative provided a safe space to engage with and listen to Apolloites from across functions within the organisation and roll out ideas that are aligned with the business goals.

The Company also launched its second edition of the Global Employee Engagement Survey, Apollo Voice. It recorded a 90% participation rate which reinforced the One Family value, and strongly reflected that Apolloites are not only empowered, but trust that no consequences would come from sharing their feedback openly.



Overall, with a Sustainable Engagement score of 87, two points above the auto industry, the Company will continue to keep up with current engagement efforts and invest efforts in identified opportunities to build an even more engaging workforce.

WELLNESS & WELL-BEING

Employee engagement is also a critical component of workplace well-being as it creates a positive work environment focussed on positive attitudes, open communication, a sense of shared purpose and enables excellence within Apollo Tyres.

To supplement well-being this year, Apollo Tyres has reviewed employee benefits to ensure that it is continuously meeting the evolving needs of Apolloites. An example is the work from home policy introduced to ease the process of post-pandemic return to office.

The Company offers employees in India with Employee Assistance Programme (EAP). This Programme is designed to provide help to employees in personal circumstances. The role of EAP is to help support and enhance the mental and physical well-being of employees, enhancing the productivity of the Company. Such programmes have been specifically developed to provide support and guidance to employees so that they can deal with issues that could have adversely affected their health, well-being and have a negative impact on their job performance.

The Company also initiated a culture of holistic well-being through a curated calendar of events under the **Apollo Well-Being Programme**. This calendar kicked off with the International Women's Day event across the global offices and will continue to develop.

HEALTH AND SAFETY

Health and Safety has been an integral part of business operations at Apollo Tyres. The Company continues to build on its Health and Safety culture transformation journey through strategic involvements and initiatives across the 'One Family' value chain.

The Apollo Safe Way was launched by VCMD on World Day for Safety and Health. The aim of this initiative is to strengthen the ownership mindset for Health and Safety across the organisation. The Apollo Safe Way have three broad elements - Individual ownership, Functional ownership, and corporate ownership.

To permeate the Apollo Safe Way across Apollo Tyres, the Company introduced the following implementation steps...

- Apollo Safe Way Workshop: A 2-hours workshop with 100% coverage of Apollo One Family including employees, contractors, apprentice and NEEM operators for the workshop.
- Personal Health and Safety Goals: All employees including the Senior leadership takes up Health & Safety Goals
- Individual ownership score card): The cards are distributed as part of the Apollo Safe Way Workshop.

The Company continuously reviews and monitors its H&S key performance indicators, thrives to create psychological safe workplace for people to share key areas of improvement and have developed on-site Gemba tool for line managers to review and address H&S concerns on site.

The Company has achieved

21,652

training workdays in the fiscal.

A total of

177,943

interventions were achieved to reinforce H&S at Apollo Tyres with HSE interaction index rate of 4,377 for million hours.

1,931

Gemba were conducted on site by line plant leadership teams during the year.

Creating Products of Tomorrow

Apollo Tyres continues to focus on creating innovative, sustainable products for tomorrow with a minimum adverse impact on the environment. The Company has been working to develop new products that use sustainable materials and reduce energy consumption. It continues to invest in research and development to find new ways to develop sustainable materials and reduce material quantity without any performance trade off. Its efforts have resulted in the creation of several new products that have been well received by its customers. Beyond the acute focus on products, its R&D team, along with other teams, has streamlined its manufacturing processes and improved efficiency.

Looking forward, there is still much work to be done, and the Company is committed to continue its efforts in creating sustainable products that meet the needs of the customers.

Mentioned below are some of the initiatives carried out in FY23 that are in alignment with the Company's commitment to environment:

1. Material Research & Development:

The Company recognises the importance of material sustainability in its operations and products which refers to responsible sourcing, use, and disposal of materials throughout their life cycle. Our priority is to develop new generation reinforcing materials for improved performance and weight reduction of tyres. The Company is exploring partnerships with global collaborator to transform ELTs (End Life of Tyre) into nearly prime rubber via environmentally friendly technology. It has joined hands with Canada-based Tyromer Inc., for advanced recycling technology to create and use new and highly sustainable rubber from ELTs.

The sustainability team is proactively engaging with raw materials and purchase departments to identify alternatives with low or negligible adverse impact on environment like; recycled rubber, recovered carbonaceous filler, rice husk silica, bio-oil, bio monomer based synthetic rubber, reinforcements, etc.

Apollo Tyres R&D has taken initiative to develop an in-house research facility with advanced instrument capability to enhance quality of recycled materials. It is collaborating closely on the development of rubber compounds with improved sustainability index, incorporated across all the product categories.

2. Predevelopment and Advanced Engineering:

TPMS and RFID technologies are developed for tyre health monitoring and digital identification of tyres which can potentially support evolving business models.

Beyond the acute focus on products, the R&D team, along with other teams, has streamlined its manufacturing processes and improved efficiency.

The Company has established Foam technology capability for OE supplies. Even as the Sealant technology is ready, it is working to make sealant technology more sustainable.

Technology for puncture resistance in passenger and 2W tyre has been developed and the work is in progress to make it a sustainable technology.

The Company has continued its work in further improving rolling resistance and light weighting of passenger car and commercial vehicle tyres. The team is working with new generation reinforcements which will support in light weighing of tyres without compromising on tyre performance.

3. Intellectual Property:

- 28 patent applications were filed in FY23.
- Total 200+ active patents have been granted across geographies.
- 12 design registrations filed in FY23.
- A total of 210+ design registrations have been granted across geographies.

4. Compliance with Global regulations:

Apollo's all developments ensured strict compliance of global regulatory requirements like REACH, PAH, ROHS, TSCA, ELV, SOC, Conflict Minerals, California Prop65, etc.

Being Future Ready

Apollo Tyres is committed to meeting its target of becoming carbon neutral. The focus has been on introducing innovating strategies and contribute to its overall Sustainability journey. It has developed a road map with six pillars on Sustainability, which experienced focussed efforts in FY23. Climate Change, one of the key six key priorities, observed a lot of momentum, whereby it reduced its Scope 1 and 2 emissions (in absolute terms) by 4% and 1.5% respectively when compared to the baseline year, even as it saw an increase of 19% in marketable production.

With its trajectory to move away from fossil fuel, the Company has revised and increased its ongoing commitments in the month of June 2023. The revised target for renewable power to total power share is going to be 30% and scope 2 emission intensity reduction by 35% by 2026. The Company has leveraged its work under the Digitalisation pillar to grow and demonstrate a positive impact through adoption of AI in its manufacturing. The increase in the use of sustainable raw material in its product mix is yet another intervention which is creating a ripple effect and pushing the overall Sustainability journey forward.

The Company is creating strategies to work with diverse stakeholders as that is pivotal in moving the needle on Sustainable Development Goals. Collaboration continues to be the key mainstay going forward.

BUREAU VERITAS

Bureau Veritas Certification

Certificate of Verification

For

APOLLO TYRES LIMITED

7, Institutional Area, Sector 32, Gurgaon –122001, India.

Covering operations within the geographical boundary of the manufacturing units as provided in Annex 1 below.

Bureau Veritas (India) Pvt. Ltd. has carried out the assurance of the following data of the above organization for the manufacturing plants as reported under Annex II, in accordance with its own internal protocol and the results are as below.

Sr. No	*Name of the organization*	*Quantity of raw water intake (m^3 per Year)*	*Quantity of water recycled (m^3/year)*	*Water Intensity (m^3 of raw water intake / MT of product) **
1	*Apollo Tyres Limited**	*2,198,698.4*	*898525.2*	*3.248 m^3/MT ***

** - Detailed breakup provided in Annex II*

- Total Production in FY22-23 is **676915 MT

 # - This certificate of verification shall be read in conjunction with referred assessment report

Reporting year: 1st April 2022 to 31st March 2023

Level of Assurance: LIMITED

Assessment Report reference: 14567048-1/2023

To check this certificate validity please call: **+91 22 6274 2000 OR E-mail: cert.india@bureauveritas.com**

Further clarifications regarding the scope of this verification certificate may be obtained by consulting the organisation.

Certificate Number: **IND.22.14411/WB/V-2** *Date:* **13 June 2023**

Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division

Certification / Managing Office Address: Bureau Veritas (India) Private Limited (Certification Business)
72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.

TÜV INDIA
TUV NORD GROUP

Independent Assurance Statement

Greenhouse Gases Verification

The inventory of Greenhouse Gas emission in FY 2022-2023 of

Apollo Tyres Limited

has been verified in accordance with AA1000AS-V3 along with AA1000AP (2018) as meeting the requirement of ISO 14064-1: 2018 and GHG protocol. With application of the mentioned standard the carbon footprint was examined by TUV India Pvt. Ltd. regarding its correctness and completeness and conforms below results.

Direct emissions from fuel consumption (Coal, FO, HSD, NG, LDO, RLNG) is **312,949** tonnes of CO_2eq and Indirect emission from purchased grid electricity is **327,390** tonnes of CO_2eq, upstream transportation and distribution (**82,839** tonnes of CO_2eq), downstream transportation and distribution (**109,350** tonnes of CO_2eq) and Business Travel (**2,289** tonnes of CO_2eq).

For and on behalf of TUV India Private Limited

Manojkumar Borekar

Product Head – Sustainability Assurance Service
TUV India Private Limited

AA1000
Licensed Assurance Provider
000-138

Date: 15/05/2023
Place: Mumbai, India

Assurance Statement no: 8121519984
www.tuv-nord.com/in

This assurance statement is invaild without annexure 1 of this statement

TÜV®

Complementarity chart with GRI Standard

GRI STANDARD	DISCLOSURE	Location	Page No.
GRI 2: General Disclosures 2021	2-1 Organizational details	About Apollo Tyres	2-5, 26, 131
	2-3 Reporting period, frequency and contact point	ESG Performance Report	34
	2-4 Restatements of information	None	
	2-5 External assurance	Certificates	86-87
	2-6 Activities, value chain and other business relationships	About Apollo Tyres	2-5, 58, 36-37
	2-7 Employees	The People Pillar	78
	2-8 Workers who are not employees	The People Pillar	78
	2-9 Governance structure and composition	Governance for An Enabling Ecosystem	41
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance for An Enabling Ecosystem	41
	2-15 Conflicts of interest	BRSR	141*
	2-17 Collective knowledge of the highest governance body	BRSR	138-139*
	2-22 Statement on sustainable development strategy	Letter from Chairman, Letter from VCMD	22,24
	2-23 Policy commitments	BRSR	137*
	2-25 Processes to remediate negative impacts	BRSR	140*, 145*, 155*
	2-27 Compliance with laws and regulations	BRSR	139*-140*, 160*
	2-28 Membership associations	BRSR	163*
	2-29 Approach to stakeholder engagement	BRSR	150-152*
	2-30 Collective bargaining agreements	The People Pillar, BRSR	77, 145*
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report	311
	201-2 Financial implications and other risks and opportunities due to climate change	BRSR	135-136*
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report, BRSR	240, 144*
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Engaging with Communities	67
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR	164* & 165*
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Governance for An Enabling Ecosystem, BRSR	43, 154*
	205-3 Confirmed incidents of corruption and actions taken	BRSR	140-141*
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR	163*
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Being an Ecosystem Player - Raw Material Footprint	47
	301-2 Recycled input materials used	Being an Ecosystem Player - Raw Material Footprint	47
	301-3 Reclaimed products and their packaging materials	Being an Ecosystem Player - Raw Material Footprint	47
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Being an Ecosystem Player - Energy Performance	50
	302-4 Reduction of energy consumption	Being an Ecosystem Player - Energy Performance	50
	302-5 Reductions in energy requirements of products and services	Being an Ecosystem Player - Driving Sustainable Consumption	47
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Being an Ecosystem Player - Sustainable Water Use	51
	303-2 Management of water discharge-related impacts	Being an Ecosystem Player - Sustainable Water Use	51
	303-3 Water withdrawal	Being an Ecosystem Player - Sustainable Water Use, BRSR	51, 158*
	303-4 Water discharge	Being an Ecosystem Player - Sustainable Water Use	51
	303-5 Water consumption	Being an Ecosystem Player - Sustainable Water Use, BRSR	51, 158*
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BRSR	160*
	304-2 Significant impacts of activities, products and services on biodiversity	BRSR	161*

GRI STANDARD	DISCLOSURE	Location	Page No.
	304-3 Habitats protected or restored	Being an Ecosystem Player-Promoting Biodiversity Engaging with Communities - Biodiversity Conservation	53, 68
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Being an Ecosystem Player - Combating Climate Change	46
	305-2 Energy indirect (Scope 2) GHG emissions	Being an Ecosystem Player - Combating Climate Change	46
	305-3 Other indirect (Scope 3) GHG emissions	Being an Ecosystem Player - Combating Climate Change	46
	305-5 Reduction of GHG emissions	Being an Ecosystem Player - Combating Climate Change	46
GRI 306: Waste 2020	306-3 Waste generated	Being an Ecosystem Player -Waste Management	53
	306-4 Waste diverted from disposal	BRSR	159*
	306-5 Waste directed to disposal	BRSR	159*
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Value Chain - Partners in Progress -Waste Management, BRSR	58, 162*
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	The People Pillar	79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR	144*
	401-3 Parental leave	BRSR	145*
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Driving Progress Together - Human Capital	37
	403-2 Hazard identification, risk assessment, and incident investigation	BRSR	147*, 148*
	403-3 Occupational health services	The People Pillar - Health and Safety	83
	403-5 Worker training on occupational health and safety	Driving Progress Together - Human Capital, BRSR	37,146*
	403-6 Promotion of worker health	BRSR	147*
	403-9 Work-related injuries	"Growing Sustainably, Acting Responsibly, BRSR"	17, 147*
	403-10 Work-related ill health	BRSR	147*
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Driving Progress Together - Human Capital, BRSR	37,146*
	404-2 Programs for upgrading employee skills and transition assistance programs	The People Pillar	79-81
	404-3 Percentage of employees receiving regular performance and career development reviews	The People Pillar, BRSR	80, 146-147*
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	The People Pillar, BRSR	78, 132*
	405-2 Ratio of basic salary and remuneration of women to men	BRSR	154*
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR	155*
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Engaging with Communities	62-73
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Value Chain - Partners in Progress	60
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customers – Central to Existence	56
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customers – Central to Existence	57
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	BRSR	169*, 171*
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR	170*, 171*

* BRSR (Business Responsibility and Sustainability Report) Information is limited to Asia-Pacific Middle East, and Africa (APMEA) region only.

Management Discussion and Analysis

Management Discussion and Analysis

Global Economy

It was a year of continued uncertainty and turbulence. The world grappled with geopolitical fragmentation and tensions, high inflation, cost-of-living crisis, and financial sector turmoil in most regions. Russia's invasion of Ukraine and the ongoing war had a cascading impact as the world saw commodity and energy price shocks and trade disruptions. This led to significant reorientation and adjustment across many economies.

According to data from the International Monetary Fund (IMF), countries across the globe were impacted and saw slower growth as compared to robust performance in Calendar Year 2021 (CY21).

In CY22, Advanced Economies (US, Euro Area, Japan, etc.) grew at a slow pace of 2.7% as against a strong growth of 5% in CY21. The US economy too lost some steam as it managed a growth of 2.1% as against 5.6% in CY21. While the Euro Area grew at a better clip compared to US at 3.5%, the economy had slowed down from its CY21 growth rate of 5.2%.

The traditional global growth engines 'Emerging Markets and Developing Economies' collectively posted a growth of 4.5% as against 6.5% growth in CY22. The worst hit was China which saw the continued impact of COVID-19 during the calendar year as its growth slowed down to 3%, a far cry from its stellar performance in CY21 at 8.1%.

Overall, given the turbulence, the impact was evident as the global economy witnessed a growth of 3.4% for CY22 as against a plus 5% for CY21.

India Market Overview

The financial year 2022-23 (FY23) was a watershed year for India as it became the fifth largest economy in the world, surpassing the UK. It also assumed the presidency of the G20 forum for the first time, highlighting the global spotlight on India. The macroeconomic fundamentals of the Indian economy are under control and showing signs of an inclusive, broad-based recovery across industries, as the country eyes on *India@100*, a journey towards her centennial as a modern, fastest-growing, industrialised nation. Despite the ongoing global headwinds caused by external factors like post-pandemic spill overs, supply chain disruptions due to the escalating Russia-Ukraine conflict and potential recessionary pressures facing developed economies, the Indian economy continued to move ahead and weathered the global economic crisis and headwinds. Multiple initiatives by the government including PLI schemes, national logistic reforms, increased spending on infrastructure, robust local demand, conducive domestic policy environment, digitisation, etc. have helped the country to race past other economies and be the fastest-growing economy among the seven largest emerging markets and developing economies (EMDEs).

India seems to be in a bright spot with the overall growth remaining at robust level. According to the provisional estimates released by the National Statistical Office (NSO), India's FY23 GDP growth was at 7.2%, beating several estimates.

7.2%
Growth in India GDP

Auto Segment

Despite the challenging global environment and high inflationary pressures, the Indian auto industry ended FY23 on a positive note, even as it broke into the top three largest car markets in the world. Led by robust economic activities and increased mobility, the overall automobile domestic sales grew by 20% in FY23. The industry recorded its highest passenger vehicle (PV) sales with a spectacular growth of 27%, mostly aided by strong demand for sports utility vehicles (SUVs). Demonstrating tremendous resilience and strong market demand, the passenger vehicles domestic sales for the fiscal rose to 3.9 million units from 3.1 million units a year ago. The Commercial vehicles (CV) sales volumes surged to 0.9 million units in FY23 from 0.7 million units in the previous fiscal. Urban demand, festive sales offers and pre-buying due to the BS6 Phase 2 transition helped in increasing the overall volumes of passenger vehicles and commercial vehicles – despite supply chain challenges and semiconductor chip shortage.

As per data by the Society of Indian Automobile Manufacturers (SIAM), commercial vehicles, three-wheelers and two-wheelers posted growth of 34%, 87% and 17% respectively.

While the auto industry's overall domestic demand and sales have been high, the exports dipped, particularly in the CV segment, predominantly due to a weak global outlook.

The electric vehicle segment has shown enormous growth potential during the fiscal, with major companies launching vehicles in this segment.

27%
Growth in PV Segment

34%
Growth in CV Segment

Tyre Segment

Riding high on past capacity addition, globally aligned regulatory environment in the country and

improving production, the Indian tyre industry is looking at generating incremental turnover of ₹ 25,000 crore in the next three years and cross a turnover of ₹ 1 lakh crore, as per a report by the Automotive Tyre Manufacturers Association (ATMA). At present the overall turnover of the domestic tyre industry stands at ₹ 75,000 crore.

After two muted years of the COVID-19 pandemic, the tyre exports from India during the April-December period of FY23 went up by 15% at ₹ 17,816 crore as against ₹ 15,507 crore in the year-ago period, according to the data released by Ministry of Commerce, Govt. of India.

Europe Market Overview

Economy

As the conflict between Russia and Ukraine continued, the economic aftermaths of the war have been extending beyond the boundaries of the two countries, denting global demand and reinforcing inflationary pressures across countries. The European Union (EU) is among the most exposed advanced economies, due to its geographical proximity to the war.

According to International Monetary Fund (IMF), the Euro Area witnessed a muted growth of 3.5% in CY22 as inflation keeps cutting into households' disposable incomes, adding pressure on central banks to hike interest rates. However, the labour market continued performing robustly, with employment at its highest and unemployment at its lowest in decades, despite global headwinds and subdued economic activity dampening the sentiment.

In Central Europe, the growth was more resilient, with Hungary registering 5% growth, Croatia 4.8%, Poland 5.5%, Romania 4.2%, and Slovakia 5% in CY22. These economies in Central Europe are likely to expand more than the EU average.

3.5%
Growth in Euro Area GDP

Auto Segment

CY22 marked a third difficult year for the European auto industry since the lockdown during the COVID-19 pandemic in 2020 and the subsequent supply disruptions that persisted even as the pandemic eased.
As slowdown looms, the economy faced steep challenges in CY22 amid spiking electricity and gas costs which reduced the purchasing power of households, dampening consumer spending. The global car market faced supply chain disturbances amid rising geopolitical tensions in 2022.

According to data published by the European Automobile Manufacturers' Association, the EU commercial vehicle and passenger car market contracted by 14.6% and 4.6% respectively. The major factor for this sharp decline was supply chain disruptions and component shortages which affected the availability of vehicles throughout the year. However, heavy commercial vehicles posted an increase of 6.5% in 2022 when compared with 2021.

Tyre Segment

CY22 was characterised by two contrasting half-year results for the European tyre industry. Given the increased travelling in the post-Covid era which directly impacted tyres demand positively in the first half. However, the sales were adversely impacted by a challenging second half of the year because of the war in Ukraine and the ensuing spike in energy prices and higher cost of living.

The tyre industry witnessed a positive trend in the first six months for CY22 for replacement consumer tyres with 7.4% growth compared to CY21, combined with 10.3% growth for Truck and Bus tyres. According to data released by the European Tyre and Rubber Manufacturers' Association (ETRMA), overall, the replacement consumer tyres segment in Europe saw a decline of 2% in CY22 compared to a year ago, with a sharp decline of 10.1% in the last six months in the 2nd half of the calendar year. The overall replacement truck and bus tyre market remained stable (+1%), despite a sharp decline of 8.2% in the second half. Agricultural tyres also posted a decline of 22% in CY22.

For original equipment (OE) tyres, year-end results were more positive with an increase of consumer tyres sales of +3.4% and of +4.7% for truck and bus.

Despite the challenges faced by the tyre market, some key trends remain positive. The All-Season tyre market, supported by new regulations like the 'Mountain law' in France, is still growing by 8% YoY, and the UHP UUHP market for 17/18 inches and 19 inches+ is also soaring high.

Industry Structure and Developments

India

The tyre demand in India is expected to grow stronger in view of rebounding economic activities and the big push by the Govt. of India for infrastructure growth in the nation. The industry has completed investment of ₹ 35,000 crore in the last three years in new capacity addition and debottlenecking, spanning across all key tyre segments with major beneficiaries being truck and bus radials (TBR) and passenger car radials (PCR) tyres manufacturing.

According to a statistical report by the Rubber Board, Govt. of India for April-September 2022 period, the tyre industry cumulatively produced more than 98 million units as against 90 million units produced during the same period a year-ago. The production of PV tyres (both radial and bias) grew 16% as compared to the same period a year-ago. Meanwhile, the Truck & Bus and LCV segment witnessed a modest growth of 3.4%. The production volumes of two-wheelers also increased by 5.7% when compared with the same period a year-ago.

Tyre exports from India were up 15% in the April – December 2022 period despite supply chain disruptions. According to the report released by Ministry of Commerce, India, India exported tyres worth ₹ 17,816 crore in April – Dec 2022 as against ₹ 15,507 crore a year-ago.

Adding to the complexities for the tyre industry, the fiscal witnessed a 10% increase in the raw material cost, touching all time new peaks. The first half of the year experienced significant raw material cost push which was partially mitigated in the second half of the year.

The Rupee started the year at a level of 76 against the US Dollar and weakened to a level of 82 by the end

of the year. The Ocean Freight Rates which had gone up to 10 times of pre-Covid levels now stand around 2 times of pre-Covid levels.

Oil prices started the year on a strong note maintaining their strength due to geo-political factors. Though, this was followed by decline in prices due to weakness in global demand, Fed interest rate hikes and weak growth outlook in major global economies around the world. Brent Crude Oil rose by 19% on a year-on-year basis in FY23 on account of geo-political factors, supply disruptions, and rise in Natural Gas prices.

Natural Rubber availability in India continues to be deficient against the requirement of the consuming industry and the shortfall was met through imports from Indonesia and Thailand. The Port Restriction on imports of Natural Rubber continues and coupled with the inverted duty structure on Natural Rubber @ 25% or ₹ 30/kg whichever is lower continued to be challenging for the industry.

The Company has partnered with the Government of India in developing new Natural Rubber plantations in the Northeast parts of India under the Prime Minister's Atma Nirbhar Bharat Scheme. The project is designed to implement the scheme for developing 2,00,000 hectares of rubber plantations supported by major tyre companies with technical support and coordination by the Rubber Board under the Ministry of Commerce. In the first two years of its operations till FY23, 27,000 hectares have been planted already, and with a target of another 50,000 hectares in FY24 under the project, it will lead to increased availability in the next five years in in Northeast, India.

The Crude based raw materials – Carbon Black, Synthetic Rubber, Fabric, Chemicals also experienced high input cost inflation during the fiscal.

Europe

The year was one of high inflation and steep rise in interest rates by Central Banks across the world. The energy costs soared high in Europe on the back of continued Russia-Ukraine conflict and subsequent sanctions on Russia. China's zero Covid policy led to moderation in economic activity.

After two challenging years due to the COVID-19 pandemic, the European economy experienced a strong rebound in the first half of FY23. However, the war in Ukraine caused a surge in energy costs, and Europe's limited electricity production capacity combined with high demand resulted in price increases across all economic sectors in the second half. Inflation in the eurozone increased by 10% YoY in the first half of the fiscal. In the second half of 2022, there was a relative slowdown in economic growth, with YoY growth of 1.9% in Q3 and 0.8% in Q4. The supply side of the economy struggled to keep pace with rapid swings in global demand, affecting key industries such as global logistics, raw material production, and microprocessors. Rising energy prices, especially for natural gas and electricity, are expected to slow down growth in the short term. However, the energy and raw material prices adjusted during the second half of the year to return to pre-Covid levels, on accounts of mild winter, government support, and consumption changes.

Inflation in raw materials and an economic ban on imported goods from Russia led to an increased demand for winter tyres, with low stock levels for tyre dealers resulting in strong demand for tyres during the first half of CY22.

Overall, the replacement consumer tyre market in Europe, without Turkey, decreased by 3%, and the Truck and Bus market remained flat. Agricultural tyres saw a decline of 22% throughout the year.

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 growing operations in other large markets, including North America.
- With its reasonable presence in the two-wheeler segment, the Company is now a full-range tyre player in India and can service the large and growing two-wheeler tyre segment in India.
- The Company is powered by well-established product brands in its key markets – Apollo and Vredestein.
- Apollo Tyres enjoys an extensive distribution network for its products across its two key markets.
- In Europe, the Company's brand, Vredestein, has a heritage of over 100 years and an established presence. It also enjoys a reasonable premium positioning, especially in winter and all-season segments.
- The Company has state-of-the-art manufacturing facilities in India and Europe and with a robust network, it can easily distribute and sell its products across the globe.
- The Company has entered the CV tyre segment in North America, after a successful launch of its passenger vehicle range in this market.
- In India, the Company is a leading brand in the CV and PV segment, which account for the bulk of the industry's revenue. The Company is best positioned to maintain its leadership position in the truck radial and PV segment and drive growth through the same.
- Apollo Tyres has a global and culturally diversified management team driving growth across geographies.
- The Company's research and development (R&D) facilities for PV and CV tyres will play a key role in bringing cutting-edge technology and innovation to drive growth.
- Increased spends on building the corporate brand has made Apollo a strong brand in India and a recognised one globally.
- Apollo Tyres has long established relationships with global OEM manufacturers, present in India, and has further forayed into the premium OEM segments in India.
- The Company is aggressively pursuing its strategy of building OEM relationships in Europe and has seen key wins.
- The Company is taking a leadership position in the EV tyres segment. It was amongst the first in India to introduce an exclusive range of EV tyres - Amperion which catered to the emerging EV segment and is an OEM fitment already. Also in Europe, it was the first Company to introduce an All-season tyre for the EV segment.
- The Company's new ranges like Vredestein Wintrac Pro and Vredestein Quatrac Pro have been given top 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 India, due to intense competition and various market dynamics, resulting in pressure on margins.

Opportunities

- In India, the Company has a considerable lead over its competition in terms of product brand equity in the truck bus radial segment. This implies impressive growth prospects with increasing 'radialisation.'
- Apollo Tyres has a leadership position in passenger car tyres segment with healthy growth prospects.
- In India, the Company's two-wheeler tyre product has been widely accepted by the market and there are prospects of scaling up the market share in a fast-growing and profitable segment.
- The Company's highly automated state-of-the-art plants in Hungary and India are scaling up and are well-positioned to drive growth in the European and Indian market due to a new cost-competitive manufacturing facility.
- Apollo Tyres has started deliveries to European OEM manufacturers endorsing the premium position of its Vredestein brand. This will help to generate replacement demand.
- With the premium positioning of the Vredestein brand in Europe and now with the modern state-of-the-art plant in Hungary, the Company has good prospects for improving its product mix towards a more profitable premium car tyre segment.
- The Company has brought the Vredestein brand in India catering to the higher segment of the market.
- The Company continues to increase its focus on new geographies such as North America and in geographies where it has already made some inroads, such as in the Middle East. These geographies will be the growth avenues for the future.
- The Company has launched truck tyres in Europe and US, which will further enhance revenue and market presence.

Threats

- Economic downturn or slowdown in the key markets (India and Europe) can lead to reduced demand and capacity utilisation.
- The continuing disruption situation due to COVID-19 pandemic waves in many parts where the Company operates can have a significant impact on its business.
- Continuing high inflation will add to pressure on margins.
- A weak Indian currency can result in pressure on margins, since the Company is a net importer.
- 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.

We launched our Premium All terrain SUV pattern - Vredestein Pinza AT which addresses the needs of the Premium SUV consumers.

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.

In FY23, the APMEA (Asia Pacific/ Middle East/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. Committed investments in R&D and brand building continued to fuel the growth journey of the region to attain market leadership position. The region has seen continued OEM approvals with high satisfaction as well as increased customer acknowledgements. For other countries in the APMEA region, it continued increasing the presence with country specific products, building brand salience and expanding distribution networks.

Passenger Car Radial Tyres

In FY23, the Company further strengthened its market leadership position in the Passenger Car Radial (PCR) tyres market. According to internal estimates, the Company retained its leadership position in the replacement market in the replacement market for the third year in a row. With an increase in volumes, strong price positioning, it marginally inched up its market share in the category.

With best-in-class product line backed by its strong R&D, it witnessed significant improvement in its sales mix where the premium portfolio sales contributions improved from 20% to 27% in FY23, in line with its Premiumisation strategy. Given its focus on sustainability and EV leadership, it was amongst the first in India to introduce an exclusive range of EV tyres - Amperion which catered to the emerging EV segment and is an OEM fitment already – a testimony to its technology superiority.

The Company's dual strategy was at play during the fiscal. It was able to successfully establish its premium brand Vredestein in the PCR and 2W space in India and made inroads in the APMEA markets as well. With brand Vredestein, it is catering to the premium and luxury segments of the market with two patterns i.e., 'Ultrac Vorti i' and 'Ultrac i' which addressed the luxury sedans and premium hatch segment and the high-performance German vehicles like Audi, BMW, etc. The fiscal also saw the launch of its premium All terrain SUV pattern - Vredestein Pinza AT which addressed the needs of the premium SUV consumers.

Commercial Vehicles Tyres

FY23 was the year of new launches for the Company's Commercial Vehicles (CV) tyres. In the TBR

Apollo Tyres has developed passenger vehicle tyres with 75% sustainable materials.

segment, it introduced steer fitment tyres - 295/90 R20 EnduRace RA and Endutrax MA in the regional and mixed categories. Focussed on enhancing the products' performance, it rolled out 295/90 R20 Endurace RD nRG, a drive fitment tyre which marked the completion of its fuel-efficient range. Further, to cater to the growing ecommerce logistics and perishables sectors, it introduced 9.00 R20 Endurace LD+ and 9.00 R20 Endurace RA, the LCV range's succession products for superior performance delivery. Backed with robust service support and significant brand value, these products are poised to become competent pillars in its volume leadership.

During the fiscal, the TBR segment witnessed some bearing of competitive environment which impacted the market share. However, the Company was able to neutralise this with its strong price positioning and best-in-class product mix. The newly launched products have been well received in their respective segments and the range is now set for a strong market share lead in the coming fiscal.

The truck bus bias (TBB) segment saw a significant impact of the rising raw materials cost. However, with a strong brand positioning and robust portfolio, it was successful in passing on some of the cost with price increases during the fiscal. The financial year also saw the launch of flagship mining range Terra MT in 12.00-20 and 12.00-24 sizes.

On the Tubeless radial range, the Company saw strong acceptance and volume build up on its products - EnduRace RD2 for drive fitment and EnduComfort CA2 for premium coaches. Both the products offered the latest advancements in bead technology and a ground up development on the product ensured that it offered the best performance for its target audiences.

During the fiscal, the Company achieved a huge milestone for its flagship CV product, Endurace LD, posting sales of over 10 million units since its inception in 2010. This feat has been possible with the decade long trust customers have placed in the performance of the product.

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Off-highway Tyres

The Company's off-highway tyres (OHT) category is focussed on three key sub-segments: Agriculture, Industrial and Earthmovers. In FY23, the Company played on its key strengths including a strong brand identity, robust dealer network, strong OE presence in speciality segment and deep rural penetration to gain its competitive edge in a challenging market scenario.

The fiscal began on a promising note for the agriculture tyres segment as a strong outlook on wheat production estimates and higher than MSP market prices due to Russia-Ukraine war was indicated. However, the onset of early summer affected the wheat-producing states with crop production falling 25%. A rainfall deficit in July-Aug in central and eastern states, followed by heavy rainfall in September dampened the sentiments. In addition, the rise in commodity prices led to high inflation of agriculture inputs leading to drop in rural income in hand, putting the hinterland in distress. This led to contraction of demand in rural India and the impact was more visible in the replacement market which saw a decline in FY23 over FY22.

The fiscal saw rising raw material prices impacting margins for this category. However, introduction of new products like VIRAT (general agriculture range) and FX333 (puddling tyre range) helped it to have a better bottom line for the category. The Company also worked on its product mix and increased the share of speciality which has higher net profit margin than the overall category margins. Thanks to the superior product line, the Company's product in this category command a higher pricing than the market players.

The Industrial tyres category is directly linked with infrastructure growth and spends in the country. Amongst the key infrastructure category, the road construction was on a slow pace with the Government only able to meet 39% of FY23 highway construction target till Dec '22. This resulted in low demand for construction equipment and sales of industrial and construction tyres. As per industry estimates, the segment registered a decline, but it was able to sustain FY22 volumes during FY23 with new product launches (Terra Range of Backhoe Loader Tyres) and dedicated key account management structure for more efficient account management and customer servicing.

The Company registered a double-digit growth in the fastest-growing, Puddling application.

Two-wheelers Tyres

During FY23, the Company continued to build its position in the Indian two-wheeler market, largely driven by new product launches, effective marketing campaigns, expanding distribution footprint and strong consumer demand for technology-backed products.

The Company's two-wheelers tyre business, aided by growth and mobility of rural areas, and the sales contribution posted a compelling growth of double-digit growth for the fiscal. With the premium motorcycle sales gradually growing, the tyre demand also saw a steady increase. The Company with a strong portfolio in the radial tyres and premium bias saw strong sales coming in. During the fiscal, the Company expanded its radial portfolio by introducing a Moto-Cross Tyre brand 'Tramplr'. Several products were added to the 'Tramplr' brand portfolio, catering to varying motorcycles. With this addition, its two-wheeler tyre segment addressability has gone up substantially.

The Company expanded its motorcycle radial portfolio by introducing a Moto-Cross Tyre brand 'Tramplr'. Several products were added to the 'Tramplr' brand portfolio, catering to varying motorcycles.

Brand Building

The fiscal saw the Company reinforcing its motto of 'Go the Distance' through multiple avenues. Building on the successes from the previous fiscal, it approached the new year with a renewed drive and vigour to magnify its goal of amplifying the performance narrative through tactical brand building initiatives, bespoke content, and strategic product integrations, all within a broad worldview of engaging communities globally as well as within urban and rural India. The Company

Apollo Tyres introduced specific tyres for electric vehicles (EVs) for both, passenger vehicles segment (Apollo Amperion Range) and two-wheelers (WAV range) for the Indian market.

not only diversified its portfolio of assets, but activations within each asset.

Apollo Tyres leveraged its association with Sachin Tendulkar who was ranked as the top sports celebrity in the Brand Endorser Report, 2022, strengthening its brand story by driving the performance narrative through passion-led content pieces, sports conclave integrations, and the 'One Family' team talk.

As a global partner and sponsor of Manchester United, the Company focussed on its asset utilisation on market initiatives such as the India visits of 3 Manchester United First Team players and the Seven Man United Legends, through which the Company effectively engaged key stakeholders as well as curated remarkable content for brand message augmentation. Along with these initiatives, there were innovative product integrations like the Tramplr Turn Challenge, and once-in-a-lifetime gratification opportunities with the United We Play 2.0 and eSports Winners Trip to Old Trafford. The recognition of eSports as within the purview of the Ministry of Sports and Youth Affairs continues to provide the Company with a unique opportunity to capitalise on its networks with the young digital consumer segment. To encapsulate, it was triumphant in permeating through multiple customer categories, touching a record 29.5 million consumers globally.

Expanding the Company's rural footprint, it became the title sponsor of India's 'Rural Olympics'- Kila Raipur, where the Company drove consumer connects with special focus on the tractor and farm vehicle consumers, accompanied by its bestselling Virat tyre led integrations across the venue. The Company's key-brand messaging of #GoTheDistance unified runners in the New Delhi Marathon with a cumulative 8.5 million reach, the first of five marathons it has charted. Additionally, the Company amplified its brand visibility among the premium 4-wheeler segment through Vredestein, with the sole focus of establishing Apollo Tyres as the brand of choice and drove connects with Indian football fans through exclusive cross-asset activations such as the Chennaiyin FC Meet and Greet with the Imphal GTD Pitch Launch.

The Company further strengthened its Bad Road Buddies programme, engaging the community with a long-term view of sales. Consistent community engagement helped it to tap into wider networks through events such as Motorama, curated Thar and SUV drives, and the Rainforest Challenge.

The fiscal ended on a high note, as the Company directly engaged with 1.3 million consumers on-ground and reached more than 7.8 million consumers digitally through sports and community.

In the CV space, it upped its engagement with customers by resuming the 'Customer Connect' programme with the 'Leaders & Mover' meets, increasing its fitment share across fleets. Through this programme, it was able to engage more than 18,000 customers. As part of this programme, multiple initiatives were conducted to spread awareness, ensuring the right application to fit with the tyres.

Tramplr was launched with a full-blown experiential event having 80+ influencers and auto journalists of Bangalore in attendance. Reiterating the brand's philosophy of 'Going Beyond Sameness', a digital film was also rolled out. The community building initiative 'Bad Road Buddies' helped it in growing the brand awareness and establish product superiority in the key markets. It also facilitated a connect with over 2000+ enthusiasts across 25 cities, giving it high visibility on social media platforms.

Europe

In Europe, Apollo Tyres continued to expand its offerings to meet the evolving needs of customers. During FY23, it focussed on building on the expansion spree that happened in the past fiscals for PV All-Season tyres, light truck tyres and winter ranges with Quatrac, Wintrac, Comtrac 2, strengthening its market offering.

In FY23, the Company celebrated 30 years in the All-Season segment by launching a new key product to extend its range in strategic segments. In the first half of the fiscal, Quatrac Pro EV was launched, specifically designed for electric vehicles, commemorating the launch of its first All-Season Tyre in 1993. This new range is available in 19 sizes even as it launched 17 All-Season sizes in the UHP/UUHP segment (17", 18", and 19" and above) to expand the segment.

The fiscal marked a key success for Vredestein brand as it was selected as an original equipment supplier for the all-new BMW Series 2 Active Tourer, BMW X1 sports utility vehicle, and the new Caddy from Volkswagen

Commercial Vehicles. Audi also selected the brand's latest Vredestein Ultrac and Sportrac summer tyres as original equipment for Audi A1 Sportback

In OHT, it completed 25 years journey of the remarkable and extremely successful Vredestein Traxion+ tractor tyres, which became a revolutionary tyre with a strong divergent pattern compared to the usual tractor tyre patterns of its time.

Further, the Company bolstered its Vredestein brand by introducing two new series of trailer tyres in a VF line for optimal soil preservation and a heavy-duty line for trailers focussed on road transport. The new Vredestein Flotation Optimall is a premium tyre solution that raises the bar in terms of soil preservation, grassland-friendliness, and self-cleaning, while the new Vredestein Endurion Trailer is a premium tyre solution that excels in robustness, comfort, and tyre life.

In the TBR segment, it expanded its range of EnduRace RD2 TBR tyres by adding new sizes to the highly successful product portfolio. The new sizes range from 315/70 and are exclusively available for 22.5-inch wheels, which is the standard for modern commercial truck and bus tyres.

To strengthen the visibility and brand awareness of Vredestein in Europe and beyond, Apollo Tyres hosted a special event in September 2022 at its manufacturing facility and research centre in Enschede, the Netherlands by welcoming press and customers from across Europe to showcase the Company's latest Vredestein tyres on a demo field in the beautiful countryside. Demonstrating its technical leadership in the Winter and All-Season segments, the Company sponsored the FIS World Ski Championships in France in February 2023. This was broadcasted on national TV, reaching an audience of over 120 million across Europe and the US.

The Company also became the official name partner of 'Vredestein 20 km de Paris', one of the most celebrated races in Europe, increasing the brand footprint in South-West Europe.

Americas

The Company has been seeding the markets in Americas and saw success in FY23.

During the fiscal, the PV market coverage increased from 45% to 80%. TBR market coverage also stands at 65% plus. It continued to focus on increasing its network and brand awareness and added the first OE account – PACCAR. As part of its vigorous brand building initiatives in the US, the Company launched the nationwide campaign for Pinza HT, taking the brand to the AT&T Stadium, home of the Dallas Cowboys in Arlington, Texas, for the world-famous Q BBQ Fest with 200,000 attendees, and the endzone of the Oregon Ducks' Autzen Stadium in Eugene, Oregon for over 50,000 fans. It participated in one of the most beautiful and celebrated races in the World – the 1000 Miglia with Vredestein brand being the official tyre partner of the event.

After successfully launching its products in the US market, as part of the Company's North American growth plan, the Company augmented its visibility in the North American market by making Apollo branded commercial trailers visible across the length and breadth of America as the Company signed a sponsorship with one of its customers KVY Tires.

The Company introduced three new line haul products at the American Trucking Association, TMC (Technology Maintenance Council, in Orlando). The new range will allow the Company to cover 85% of the commercial truck tyre market, with over 40 SKUs, delivering high mileage and low CPM.

Outlook

The economic outlook for FY24 continues to be one of uncertainty as the Russian-Ukraine war continues and the chances for further economic disruptions still prevalent. The biggest setback can be the risk of shortages, lasting inflation, elevated oil and energy prices and rising interest rate environment.

According to data from IMF, the global economy growth is expected to fall from 3.4% in 2022 to 2.8% in 2023, before inching up to 3.0% in 2024. Advanced economies are expected to see an especially muted growth from 2.7% in 2022 to 1.3% in 2023. Euro Area will continue to move the global slowdown as its growth drops to 0.8% in 2023 and then move upwards to 1.4% in 2024.

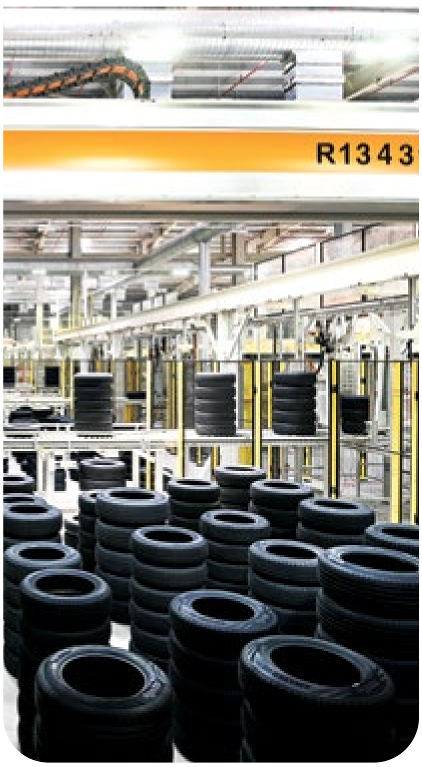
The outlook for the EU car market is positive despite component shortages and economic challenges in the region. New car registrations are forecasted to increase by around 5% in 2023, according to European Automobile Manufacturers' Association.

The World Economic Outlook report released by IMF stated "An appropriate course of action is crucial in the coming years. Global monetary policy should focus on bringing inflation down. Tighter fiscal policy can also play an active role. By cooling off economic activity, it would support monetary policy, allowing real interest rates to return faster to their natural level." According to Reserve Bank of India (RBI) and IMF, the overall growth rate for the Indian economy for FY24 is forecasted to be between 6.0-6.5%. The Indian economy is likely to benefit from increased infrastructure spend, banking credit growth, and a possible rural bounce-back due to easing inflation and will continue to be the fastest-growing economy in the world. On the other side, risks include a lower-than-average monsoon, weak global demand, slow pickup of private capex, and FII outflows due to rising US policy rates.

Amid such uncertain economic and geo-political conditions, Apollo Tyres has adopted a prudent fiscal approach. The focus continues to be on investing in good costs and cutting down bad costs, employee safety and conserving cash. The Company will focus on sustainable profitable growth as it focusses to achieve its Vision targets by FY26.

Risks and Concerns

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 managed effectively and mitigated to protect the interest of the shareholders and stakeholders, to 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 identified 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 as follows:

FINANCIALS

1. High inflation and economic downturn

- Core inflation (which excludes the impact of volatile food and energy prices) continues to be high despite significant tightening of monetary policy. While rising inflation can increase indirect costs, high interest rates can make working capital more costly.
- 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.

2. Supply chain risks

- In a globally interconnected world, supply chain resilience is crucial. Global economic situation, ongoing Russia-Ukraine war, cyber-attack, political/ economic instability in supplier's country, covid related blockages, labour shortages can impact supply chain.

3. Raw material price volatility

- The industry is raw material intensive. Natural rubber, which is a major raw material, is an agricultural commodity and is subject to price volatility and production concerns.
- Most other raw materials are affected by the movement in crude prices. Rising crude oil prices and increasing raw material costs may affect the profitability of the Company.
- Both natural rubber and crude prices are controlled by external environment and are, therefore, beyond reasonable control of the management.

4. Dilution of import restrictions on tyres and increased competition from global players

- Dilution of anti-dumping duty on Chinese tyres will increase price competition for the domestic tyre manufacturers.

5. Radialisation levels in India

- 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.

6. Cyber Attacks

- Cyberattacks are on the rise, and ransomware and phishing scams are now a common occurrence. The cyberattack threat of unauthorised access and disruption of business operations continue to increase across the globe.

7. Natural Disasters

- The world has witnessed several natural disasters recently. Natural disasters can cause harm to human life and infrastructure and may result in disruption of business.

SOCIAL

1. Manpower and Labour

- Retaining skilled personnel may become increasingly difficult in India with increasing demand for talent.
- Tyre manufacturing is significantly dependent on availability of skilled labour. Any labour unrest, shortage of labour, diversion of labour to other industries may impact tyre production.

Internal controls and systems

The Company believes that internal controls is one of the key pillars of governance, which provides freedom to the management to operate, within a framework of appropriate checks and balances. Apollo Tyres has a robust internal control framework, which has been established considering the nature, size and complexity of its operations and risks in the business. The framework comprises, inter alia, a well-defined organisation structure, roles and responsibilities, documented policies and procedures, financial delegation of Authority, ERP controls, etc. 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 as its core Enterprise Resource Planning (ERP) software. The ERP controls are regularly evaluated, and systems and processes are continuously improved by adopting best-in-class processes and automation and implementing the latest IT tools. It has a strong culture of internal controls such that the operating management is not only responsible for revenue and profitability, but also for maintaining financial and commercial discipline within an internal control framework.

The Company has a well-established, independent, and 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 Internal Audit function monitors and evaluates the efficacy, and adequacy of internal control systems in the Company. 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 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 for no tolerance to non-compliance and promotes a culture of continuous innovation and improvement. Management supports independent and objective internal auditing and implementation of internal audit recommendations.

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Standalone		Consolidated	
1	**Revenue from operations**				
	Sale of products	168,899.09	143,067.87	241,223.24	205,808.14
	Other operating income	4,111.10	3,426.17	4,458.06	3,667.64
	Total (1)	**173,010.19**	**146,494.04**	**245,681.30**	**209,475.78**
2	**Expenses**				
a)	Cost of materials consumed	106,937.72	94,937.71	122,619.59	109,554.29
b)	Purchase of stock in trade	9,628.17	8,465.86	26,782.74	22,060.30
c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	455.54	(3,484.45)	(3,031.77)	(7,759.56)
d)	Employee benefits expense	10,259.15	10,240.18	26,199.21	25,742.37
e)	Other expenses	24,620.42	22,026.81	39,975.00	34,137.37
	Total (2)	**151,901.00**	**132,186.11**	**212,544.77**	**183,734.77**
3	**Operating profit (EBITDA excluding other income) (1 - 2)**	**21,109.19**	**14,307.93**	**33,136.53**	**25,741.01**
4	Other income	751.26	1,268.96	410.92	1,234.81
5	Less: Finance costs	4,672.28	3,821.56	5,312.35	4,444.23
6	Less: Depreciation & amortization expenses	9,070.50	8,239.13	14,191.42	13,996.73
7	**Profit before share of profit/ (loss) in associate / joint venture, exceptional items & tax**	**8,117.67**	**3,516.20**	**14,043.68**	**8,534.86**
8	Share of profit / (loss) in associate / joint venture	0.00	0.00	2.42	0.96
9	Exceptional items	0.00	(12.68)	225.77	(59.08)
10	**Profit before tax**	**8,117.67**	**3,503.52**	**14,271.87**	**8,476.74**
11	Less: Provision for tax				
	Current tax	1,477.15	611.59	2,506.93	947.96
	Deferred tax	853.14	281.29	718.58	1,142.78
	Total	**2,330.29**	**892.88**	**3,225.51**	**2,090.74**
12	**Profit after tax**	5,787.38	**2,610.64**	**11,046.36**	**6,386.00**

KEY FINANCIAL RATIOS

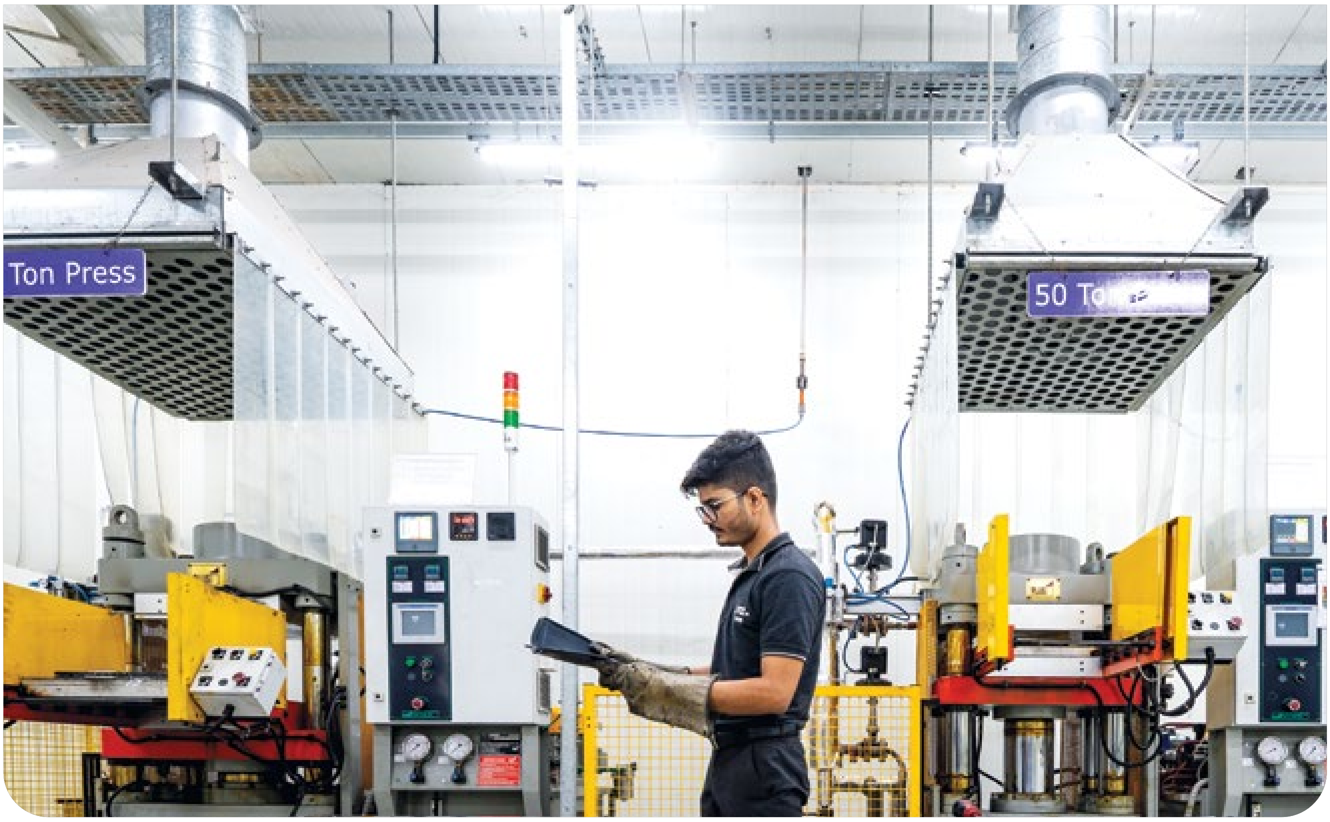
In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios. Please note that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

Sl. No.	Particulars	FY23	FY22	% Change	Explanation
1	Net Profit Margin	3.35	1.78	87.71	Lower expenses led to increase in net profit margin

CHANGE IN RETURN ON NET WORTH

Sl.No	Particulars	FY23	FY22	% Change
1	Return on Net Worth*	5.96	2.75	116.81

* Reason for change - Higher profitability led to increase in return on net worth.



Sustainability

Sustainability is one of the 5 key drivers defined by the Company for its *Vision FY26*. To embrace sustainability across the operations and entire value chain, it has developed its Sustainability Governance Model aligned with the global standard of ISO 26000. As a responsible and progressive tyre manufacturer, it has undertaken the following commitments towards sustainability:

1. Reduce Scope 1 emission intensity by 35% in FY26 compared to baseline year FY20.
2. Reduce Scope 2 emission intensity by 25% in FY26 compared to baseline year FY20.
3. Source 30% of total power usage from renewable sources by FY26.
4. Improve water withdrawal intensity by 25% in FY26 compared to baseline year FY19.
5. Use 40% Sustainable Materials [10% Recycled Materials and 30% Biobased materials] by 2030.

With a clear sustainability vision, the Company made rapid strides during the fiscal. In the fiscal, the Company recorded stellar improvement from Level D to Level B in the global CDP response on Climate Change.

The Company undertook and declared its global commitments towards reducing Scope 1 and Scope 2 emission intensities, improving the water withdrawal intensity, accelerating use of sustainable raw materials in the operations, and committing to Diversity and Inclusivity (D&I) improvement. It has pledged to improve its D&I to 12% globally by 2026 through crucial changes in policies and practices, targeted recruiting and building global cross-cultural teams. It has set monitoring mechanisms to ensure that its targets are achieved in line with the projections.

The work towards developing a new production line of passenger vehicle and agriculture tyres with 75% sustainable raw material is a step to showcase our commitment. Its move to use of non-fossil fuels and increase its renewal energy mix in its manufacturing are a few other initiatives that would help it to achieve its global goals.

The Company adopted ISO20400 framework on Social Responsibility to emulate the processes within the business to its value chain making it an integral part of the journey. During the fiscal, the Company continued to focus its CSR activities around four key thematic areas: Healthcare for Trucking Community, Solid Waste Management and Sanitation, Livelihood for Rural Women and Biodiversity Conservation. Over 1.4 million beneficiaries were positively impacted through various CSR initiatives organised by Apollo Tyres during the fiscal.

Since 2019, the Company has successfully touched the lives of nearly 10 million people.

1.4 million+ beneficiaries were positively impacted through various CSR initiatives in FY23.

Environment

In the fiscal, the Company extended its efforts in providing waste management services across villages which are in vicinity of the Company's manufacturing locations and at the Delhi transhipment hub, strengthening its Solid Waste Management and Sanitation (SPARSH) initiative. This initiative touched lives of more than 107,150 beneficiaries in FY23. To support 'Clean India' and 'Total Sanitation' campaigns, the Company built 113 toilets, impacting 2,642 people. It also declared 1 village Open Defecation Free (ODF), increasing the tally of total ODF villages in Tamil Nadu region to 7.

In the fiscal, the Company continued its efforts in conservation of Biodiversity. During the reporting year, it planted more than 200 saplings for Mangrove Conservation and organised an annual event on Environment and Nature Quiz, sensitising people on climate change and environment sustainability. Under afforestation project, it monitored 3.5 lakhs trees at Tamil Nadu region and 10,000 trees at Gujarat region under Miyawaki project.

Local initiatives included activities towards climate change mitigation and watershed management across the Company's manufacturing locations in India.

Social

In the fiscal, the Company strengthened its healthcare interventions, positively benefiting the trucking community across 32 centres in 19 states of India.

Through the Company's dedicated healthcare programme for the trucking community, the Company supports Government of India's commitment to eliminate Tuberculosis (TB) in India by 2025. Apollo Tyres Foundation, a CSR wing of Apollo Tyres, partnered with USAID, The Union and Central TB Division and Ministry of Health & Family Welfare for TB elimination. During the year, the Company organised two focussed campaigns, 'Jan Andolan for TB free India' for boosting TB identification amongst trucking community and 'Partnership for Action against Tuberculosis' (PAcT) which was aligned with 'Azadi Ka Amrit Mahotsav'.

During the fiscal, the Company positively impacted the lives of over 1.1 million beneficiaries through various healthcare services.

Additionally, in the reporting year, Dr. Mansukh Mandaviya, Union Minister for Health and Family Welfare and Chemicals and Fertilisers, Government of India distributed nutritional baskets to 5 TB patients who are adopted by Ni-Kshay Mitra, Apollo Tyres Foundation under the Pradhan Mantri TB Mukt Bharat Abhiyaan. Apollo Tyres Foundation has adopted 75 TB patients as part of TB free India initiative. The Company also organised an awareness campaign, flagging off 75 trucks with TB messages sensitising people across Indian states. This campaign was rolled out by Dr. Mansukh Mandaviya, Union Minister of Health and Family Welfare and Chemicals and Fertilisers, Government of India.

In the fiscal, it established four Designated Microscopic Centres (DMCs) in Public Private Partnership (PPP) model in India, increasing the total count of Company's DMCs to 17. To provide the necessary treatment support to HIV positive patients, it launched its first Anti-Retroviral Therapy (ART) centre at Vijayawada, India in partnership with State AIDS Control Society, Andhra Pradesh.

Under the Livelihood for Rural Women programme, the Company engages with rural women and farmers for providing them with livelihood opportunities at their doorsteps. In the reporting year, the Company extended its work in Dahod district, Limkheda block (declared as aspirational district by Govt. of India) for creating livelihoods opportunities for Schedule Tribe (ST) community. In the reporting fiscal, the livelihood programme has benefited 1,579 women. 2,013 women received training in income generation, 1,563 women

were linked with income generation activities and 5,136 women were linked with government schemes and availed benefits worth ₹ 6 crore.

One of Company's livelihood initiatives, Navya, ran the 5th edition of its annual 'Ek Naam' campaign, in partnership with CSRBOX to felicitate eight exemplary women beneficiaries who created their identity by standing against social stigmas and biases. In the past 5 years, the Company has felicitated the outstanding work of 40 rural women.

In Europe, at Apollo Tyres' manufacturing facility in Hungary, the Company organised periodic blood donation camps in which more than 175 employees volunteered. In another campaign, 'Shoebox', organised by Hungarian Baptist Aid, employees packed donations and gifts in shoeboxes which were then given as Christmas presents to children from underserved communities.

At the Enschede plant and Amsterdam office, in the Netherlands, the Company organised a 2 week-long charitable drive, namely, *ACE-ing it for Voedselbank (food bank)*, in which 770 employees participated and donated non-perishable food items to underserved communities.

In FY23, Apollo Tyres, via its Vredestein premium tyre brand launched 'Soccer School' events in collaboration with Manchester United across Europe to support youth charities. 'Soccer School'programme will provide children and young people with exclusive coaching sessions, encouraging exercise, and fostering personal development amongst them.

Information Technology

Digitalisation is one of the key growth pillars for Apollo Tyres. In FY23, the Company has made big strides in its digitalisation journey by supporting the advancement of business processes and modernisation of IT infrastructure across the globe. The Company implemented *Industry 4.0* to increase the efficiency of manufacturing processes, revolutionising the way it operates across its value chain.

The fiscal saw the Company making advancements in its internal enterprise processes, using SAP (core ERP system). It has also digitalised many HR processes to provide a plethora of easy-to-use, advanced digital tools to employees, improving overall employee experience. As an organisation that's committed to keeping its people and business safe, considerable investments were made to ensure Cyber Security and a safe and secure online environment for each employee.

The Company is determined on using Artificial Intelligence (AI) and Machine Learning (ML) models across all its manufacturing facilities. AI / ML has helped the Company in achieving an increase in productivity. This productivity increase has also facilitated the reduction in energy consumption by 2% - 3%, cutting 365 tons per month of CO_2 emission.

Apollo Samadhan, digitalisation of the complaint process in customer service function enabled the reduction of the turnaround time from 3 days to 0.6 day and enhanced the complaint resolution satisfaction score from 54% to 64%.

At the Company's manufacturing facility in Hungary, data from AI and ML based solutions and automation helped in increasing productivity of the plant.

Additionally, this fiscal saw the launch of Manufacturing Excellence System (MES) across all manufacturing locations. These systems seamlessly control the movement of material and production and help in validating and controlling material issue. It also launched a single machine maintenance system which will help in capturing data, reducing the costs of maintenance and machine spares.

To support innovation and digitalisation, the Company has set up two digital innovation hubs, one each in London and Hyderabad.

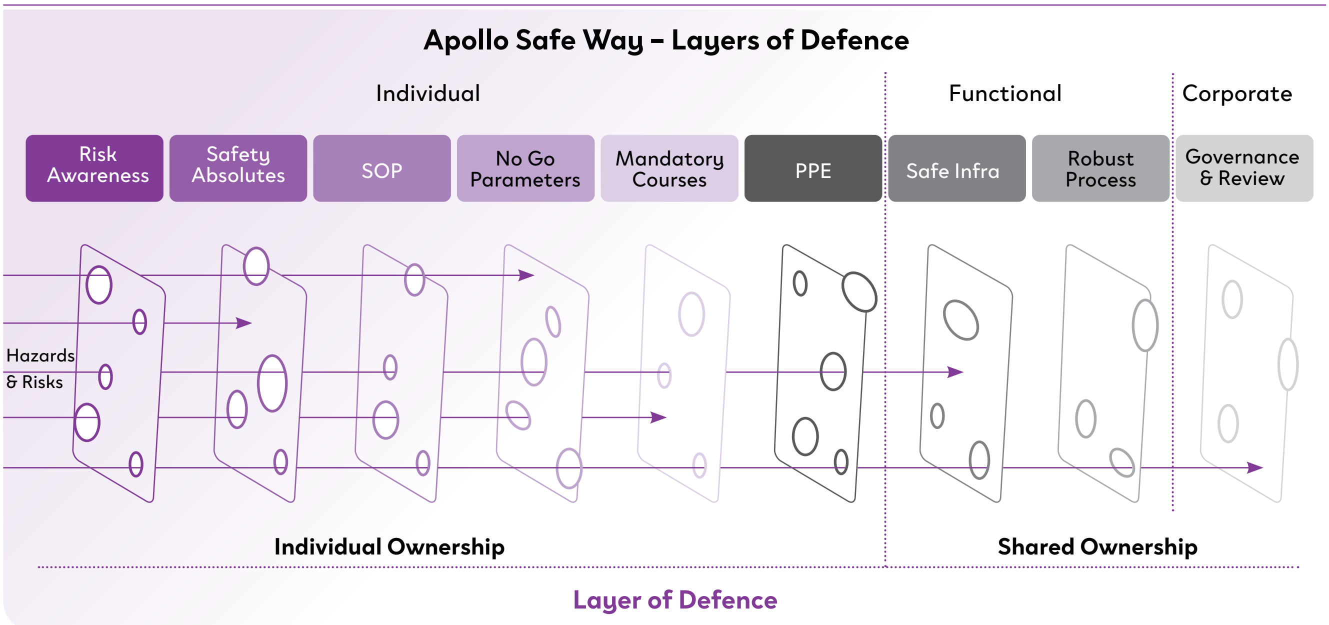
As the cyber threat landscape continues to rise, the Company focussed on strengthening endpoint security, email security, external threat monitoring and employee cyber awareness. It partnered with Crowdstrike, a cloud-based, robust, AI/ML driven managed detection and response (MDR) cybersecurity service that combines technology and human expertise to ensure continuous monitoring, detection and response against sophisticated, known / unknown cyber-attacks thus increasing Apollo Tyres' cyber security status drastically especially for endpoints. MDR along with the security operations centre setup in the previous fiscal provided the Company with the much-needed visibility and support to combat the fight against cybercrime. New joiner cyber security trainings, mandatory cyber awareness trainings for all employees and phishing simulation drives to educate users to identify phishing attacks, emailers/banners/posters on cyber awareness, cyber sessions in townhalls are some of the steps taken in FY23 to build cyber culture in the organisation. Additionally, the Company collaborated with Cloudsek and deployed a digital risk monitoring tool which helped it in continual brand scan, combating fake brand pages, rogue applications and impersonating domains that could have harmed company's brand image.

The Mantra for IT infrastructure of Apollo Tyres during FY23 was cloudification and transformation of IT infrastructure to support digital initiatives in the organisation. In the quest of making IT and Digital solutions to be agile and scalable and in line with the business growth and dynamism, the Company joined hands with AWS to establish Cloud platform for hosting new age IT solutions. It has also charted a 3-year roadmap for maximising the cloudification of the IT systems and solutions.

Health, Safety and Environment (HSE)

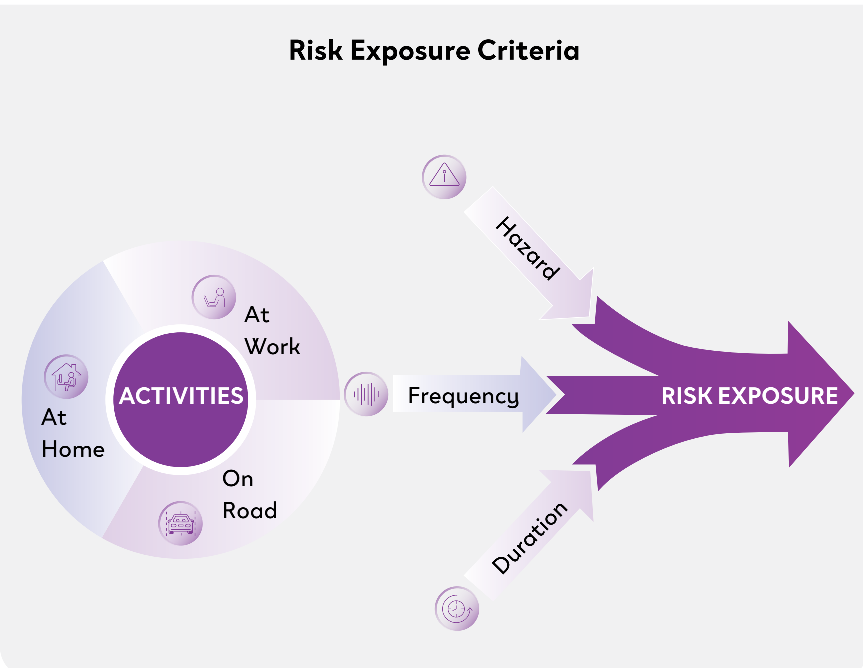
Health, safety, and environment (HSE) management has been the mainstay of Apollo Tyres' way of working. As a responsible organisation, it keeps strengthening its health and safety culture through strategic initiatives across the value chain.

During the fiscal, the Company's Vice Chairman and Managing Director, Neeraj Kanwar, launched **Apollo Safe Way** on World Day for Safety & Health. Apollo Safe Way is an integrated health and safety ownership mechanism. It is broadly classified under Individual, Functional and Corporate categories. Apollo Safe Way incorporates various layers of defences across all levels to reinforce health and safety culture at the workplace.



A self-monitoring, well-being champion card was introduced as part of individual ownership to encourage and engage Apolloites to adopt best-in-class health and safety practices. This card encouraged people to pledge personal health and safety commitments and continuously monitor them.

During FY23, risk management workshops (Well-Being Champion Workshops) were conducted across the organisation, sensitising people about risk exposure at Home, Road and Work and how to take appropriate actions to address the same. More than 16,000 people across the globe joined the 'Apollo Safe Way' journey through Well-Being Champion Workshops.



Risk Exposure Criteria

A functional level health and safety scorecard comprising of 5 elements was also launched to enable ownership across line management. Functional level self-assessment was conducted and further evaluated by cross-plant and corporate teams to validate the same. This led to generation of functional health and safety improvement road map which will be part of next year's health and safety journey.

Functional Scorecard Elements

Additionally, in the reporting year, the Company also initiated various risk management projects to strengthen risk management practices in the organisation. All manufacturing facilities adopted ISO 45001:2018 Occupational Health and Safety management system. All plants are certified for the same and third-party audits are conducted every year to review and assure the same.

The Company continuously reviews and monitors its health and safety key performance indicators. Lost time injury frequency rate (LTIFR) at the end of FY23 was reported at 0.41 per million person-hours worked. Risk based training is essential to build people capability at Apollo Tyres and its employees have logged 21,652 training workdays in FY23.

The Company thrives to create **psychological safe workplace** for people and hence encourages everyone to share areas of improvement in form of near misses, unsafe acts, unsafe conditions, and safety interactions. A total of 177,943 interventions were achieved to strengthen health and safety at Apollo Tyres with HSE interaction index rate of 4377 for million hours.

On-site Gemba is one of the key tools used by line management to review and address health and safety concerns at site. More than 1,900 Gembas were conducted during the fiscal.

The Company focussed on its health and safety journey to drive the motto – **Our health, our safety, our responsibility**. The entire senior management, led by its Chairman, Mr. Onkar Kanwar and Vice Chairman & Managing Director, Mr. Neeraj Kanwar demonstrated leadership by taking personal health and safety goals.

Functional Scorecard Elements

01 HSE Engagement Index

02 Risk Reduction Improvement Project

03 Enabling Individual ownership

04 Risk Reduction through planned Inspection

05 HSE Passport

Development in Human Resources and Industrial Relations

In Apollo Tyres' pursuit of its vision 'Driving Progress, Together' and fulfilling its purpose of 'Enabling Excellence', it believes that its people contribute directly to the productivity, innovation and overall performance of the Company and in achieving the vision and purpose.

It ensures that the 'One Family' value is upheld at all points of time. It earnestly works towards nurturing a culture where everyone feels valued, respected, and empowered through challenging roles, best-in-class people policies and learning and development programmes.

During the fiscal, Apollo Tyres was certified as a 'Great Place To Work' by the Great Place to Work® Institute (India). This certification holds special significance as for the first time, each employee of Apollo Tyres (India) was invited for the survey and more than 5,000 employees participated, earning Apollo Tyres this acclaimed certification.

Building and Sustaining a High-Trust, High-Performance Culture

In March 2023, the Company was also featured as one of the 'India's Finest Workplaces' by ET Now, adding another feather to the cap.

Continuing its spree of winning acclaimed certifications and awards, the Company bagged another certification of Top Employers in Singapore and the UK for 2023. The Top Employers Institute is the global authority on recognising excellence in people practices.

These certifications and recognitions are testament to the commitment of Apollo Tyres towards its employees.

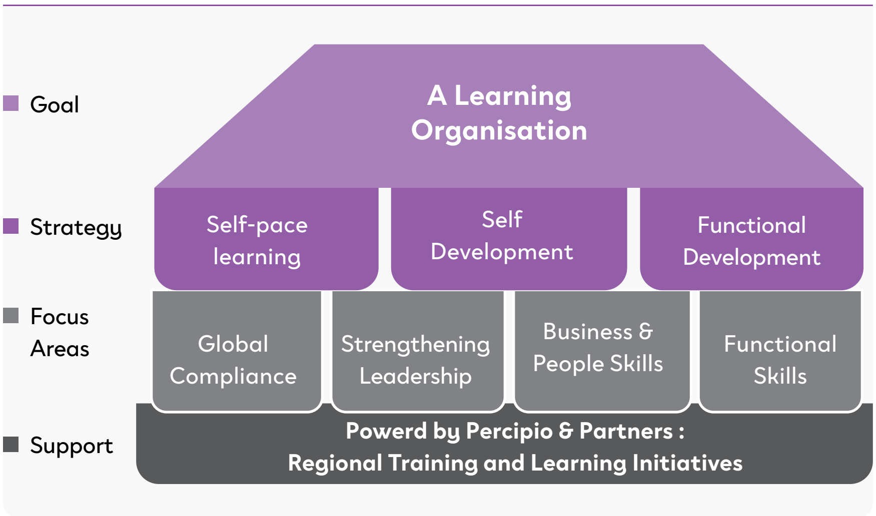
Learning and development

Apollo Tyres encourages its people for continuous learning and provide avenues for creating new and better processes, finding new ways of solving problems and making organisation-wide improvements. To maintain the Company's competitive edge, it is imperative to develop and nurture a learning organisation where people are ingrained with an innovation mindset and are dedicated towards their personal as well as professional growth.

Taking cognisance of the importance of learning and development, Apollo Tyres strives to include employee development in its culture and encourage its people to discover new talents and skills. In FY23, it focussed on providing continuous learning and development at all levels of the organisation and fostered a culture that supports growth and improvement. This helped the Company in strengthening its learning culture by creating opportunities for employees to learn, grow, and develop new skills.

This fiscal, the Company extended the learning and development opportunities as part of **Apollo Virtual Academy** and started its journey towards building a self-learning culture, encouraging people to take charge of their self-development. Key learning themes were identified as focus areas that guided the development of learning initiatives globally.

Additionally, to provide a comfortable and exceptional start to the new joiners, the Company introduced a new induction programme in which new employees learn about the Company's legacy, purpose, values, products, management, etc.



To facilitate self-paced learning and self-development, *Skills Benchmarks* of leadership competencies and capabilities were made available to employees through the internal learning platform, *Percipio*. This provided *Apolloites* with an opportunity to assess their leadership capabilities against a normed population, and based on their competency level, access personalised learning content.

To support the goal of building a learning culture in Apollo Tyres, the Company revamped its learning library in alignment with the *WEF's Top 10 skills of 2025*. In addition to this, the *Expert Speaks* series was launched to bring in an external perspective on key learning topics identified through partnership with Lee Hecht Harrison. This series also enabled global peer-to-peer interaction and learning across leadership levels, advancing the learning culture of a truly global and multi-generational organisation.

Apart from specific functional trainings (e.g., Procurement, R&D, IT, etc.), the Company also launched its maiden digital training on Apollo products through *Apollo LXP*. This enabled efficient training of products for the sales and marketing teams across the globe through a shared knowledge base of Apollo products. In addition, the training was also extended to Apollo R&D globally, to enhance the understanding of the Company's current products as a part of its innovation process for future product pipeline.

A global Apollo Total Quality Management (ATQM) training was also rolled out for all employees across the organisation. Through this training, people were encouraged to incorporate the ATQM framework into their everyday approach to work, strengthening the overall effectiveness and efficiency of Apollo as an organisation.

Overall, it was a great learning year for Apollo Tyres with a 5% increase in learning engagement of employees, surpassing the industry benchmarks. The overall engagement on learning and self-development was further validated by the exponential increase in learning hours clocked on Percipio from 1,531 hours in FY22 to whopping 36,045 hours in FY23.

36,045
learning hours clocked in FY23

Employee focus and engagement

Apollo is home to a multi-cultural, multi-generational (balanced representation of Gen X, Gen Y and Gen Z) and gender diverse workforce. Apollo Tyres' culture provides a safe work environment, free from discrimination and biases. The Company is committed to its global target of 12% by FY26 for gender diversity.

44
Nationalities

8%
Gender diversity

4
Generations

As an organisation that believes in listening to feedback and taking adequate actions on it, the Company launched the second edition of Apollo Voice, a Global Employee Engagement Survey. This year, the Company registered 90% participation rate, demonstrating the 'One Family' value of Apollo Tyres.

APOLLO VOICE

Racing ahead of the benchmarks; Making Apollo Tyres a force to work with

91% of Apolloites believe that they treat each other with dignity and respect regardless of their personal identities.

90% of Apolloites voiced that Apollo provides a working environment free of discrimination and harassment.

Overall, with a Sustainable Engagement score of 87, the Company continues to upkeep with current engagement initiatives and make efforts in identified opportunities to build an even more engaged workforce.

Additionally, the Company continued focussing on its holistic approach to employee compensation that included both monetary and non-monetary rewards such as benefits, work-life balance, recognition, and career development opportunities. This model helped Apollo Tyres in attracting, retaining, and motivating its talent by offering a comprehensive rewards package. Through a merit-based pay system, the rewards were strongly tied to the performance outcomes of employees, helping in rewarding the top performers and encouraging continuous improvement and development simultaneously.

Building and sustaining rewards and recognition programmes will remain at the core of the HR function's agenda. Some of the programmes included, 'Roll of Honor', Employee of the Year, Long Service Awards, Appreciation Badges, and several celebration / recognition events. In FY23, a large percentage of the Company's global population was impacted through various global recognition programmes with over 20,000 badges exchanged during **Chairman's Recognition Week**. Furthermore, additional recognition activities such as *Sponteneo* and *Wall of Fame* also took place. The Company celebrated and honoured long service of its employees achieving key milestones, such as 5 years, 10 years, 15 years, 20 years, 25 years, etc.

In today's competitive environment, employee engagement has emerged as one of the most important drivers of business success. High employee engagement promotes the retention of talent and improves organisation performance. In FY23, the Company launched its first-ever *Apollo Global Ideathon* where people were invited to share transformative ideas that could help Company anticipate and solve future challenges. This initiative provided a safe space to engage with and listen to employees from diverse functions within the organisation and roll out ideas that are in alignment with business goals.

In line with the 'One Family' value of Apollo Tyres, the Company offered a comprehensive Employee Assistance program (EAP). It was designed to provide help to employees for various personal circumstances. The role of EAP is to support and enhance the mental and physical well-being of employees. On similar lines, the Company has initiated a culture of holistic well-being through a curated calendar of events under the Apollo Well-Being Programme with the core objective of upholding 'One Family: Always Healthy and Absolute Safety'.

Industrial relations

The Industrial relations remained cordial during the fiscal year. Regular interactions were conducted with all stakeholders, management, employee representatives and the trade union leaders, improving productivity, cost-reduction, and the working environment of the manufacturing facilities. Various forums enabled effective resolution of employee grievances and queries. In-house training programmes were conducted to facilitate overall safety and health at the workplace. Many employee welfare and engagement initiatives were rolled out during the fiscal across all manufacturing locations and offices. These initiatives helped the Company maintain conducive relations in all its operations.

Board's Report

Dear Member,

Your Directors have the pleasure in presenting the 50th 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, 2023.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2023 is summarised below:

(₹ Million)

Particulars	Year Ended		Year Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Standalone		Consolidated	
Sale of products	168,899.09	143,067.87	241,223.24	205,808.14
Other operating income	4,111.10	3,426.17	4,458.06	3,667.64
Revenue from operations	**173,010.19**	**146,494.04**	**245,681.30**	**209,475.78**
Operating profit (EBITDA excluding other income)	**21,109.19**	**14,307.93**	**33,136.53**	**25,741.01**
Other income	751.26	1,268.96	410.92	1,234.81
Less: Finance costs	4,672.28	3,821.56	5,312.35	4,444.23
Less: Depreciation & amortization expenses	9,070.50	8,239.13	14,191.42	13,996.73
Profit before share of profit/ (loss) in associate / joint venture, exceptional items & tax	**8,117.67**	**3,516.20**	**14,043.68**	**8,534.86**
Share of profit / (loss) in associate / joint venture	0.00	0.00	2.42	0.96
Exceptional items	0.00	(12.68)	225.77	(59.08)
Profit before tax	**8,117.67**	**3,503.52**	**14,271.87**	**8,476.74**
Less: Provision for tax	2,330.29	892.88	3,225.51	2,090.74
Profit after tax	**5,787.38**	**2,610.64**	**11,046.36**	**6,386.00**

OPERATIONS

According to a data from the Rubber Board, for a six-month period of fiscal 23, the tyre industry cumulatively produced more than 98 million units as against 90 million units in first six months in FY23. The production of PV tyres (both radial and bias) grew 16% as compared to the same period a year ago. Meanwhile, the Truck & Bus and LCV segment witnessed a modest growth of 3.4%. The production volumes of two-wheelers also increased by 5.7% in FY23.

The tyre industry in Europe witnessed a positive trend in the first six months for CY22 for the replacement consumer tyres with a 7.4% growth compared to CY21, combined with 10.3% growth for Truck and Bus tyres. However, this could not be sustained for the next six months. According to data released by the European Tyre and Rubber Manufacturers' Association (ETRMA), the overall replacement consumer tyres segment in Europe saw a decline of 2% in CY22 compared to a year ago, with a sharp decline of 10.1% in the last six months in the 2nd half of the calendar year. The overall replacement truck and bus tyre market remained stable (+1%), despite a sharp decline of 8.2% in the second half. Agricultural tyres also posted a decline of 22% in CY22.

The standalone revenue from operations of your Company was ₹173,010.19 million during FY23 as against ₹146,494.04 million during the previous financial year. EBITDA (excluding other income) was at ₹21,109.19 million as compared to ₹14,307.93 million during the previous financial year. The Net Profit for the year under review was ₹5,787.38 million, as against ₹2,610.64 million in the previous fiscal.

The consolidated revenue from operations of your Company was ₹245,681.30 million during FY23, as compared to ₹209,475.78 million in FY22. The consolidated EBITDA (excluding other income) was ₹33,136.53 million for FY23 as compared to ₹25,741.01 million for the previous financial year. On consolidated basis, the Company earned a Net Profit of ₹11,046.36 million for FY23 as against ₹6,386.00 million for the previous financial year.

RAW MATERIALS

The year under review witnessed ~10% increase in the raw material cost, touching all time new peaks. The first half of the year experienced significant raw material cost push which was partially mitigated in the later half of the year.

The year 2022 has been a year of high inflation and steep rise in interest rates by Central Banks across the world. The energy costs soared in Europe on the back of continued Russia Ukraine conflict and the sanctions on Russia. China's Zero Covid Policy led to some moderation in economic activity.

The Rupee started the year at a level of 76 against the US Dollar and weakened to a level of 82 by the end of the year. The Ocean Freight Rates which had gone upto 10 times of pre covid levels now stands around 2 times of pre covid levels.

The year began with oil prices maintaining its strength due to geo-political factors. Thereafter it witnessed a slide due to weakness in global demand, Fed interest rate hikes and weak growth outlook in major global economies around the world. Brent Crude Oil rose by 19% on a year-on-year basis in FY23 on account of geo-political factors, supply disruptions, and rise in Natural Gas prices.

Natural Rubber availability in India continued to be deficient against the requirement of the consuming industry and the shortfall was met through imports from ASEAN countries. The port restriction on imports of natural rubber continued with imports allowed only at Nhava Sheva and Chennai ports. The inverted duty structure on natural rubber @ 25% or ₹30/kg whichever is lower continued during the year.

The Company has partnered with the Government of India in developing new natural rubber plantations in the Northeast region of India under the Prime Ministers' Atma Nirbhar Bharat Scheme. The project is designed to develop 200,000 hectares of rubber plantations financially supported by major tyre companies with technical support and coordination by the Rubber Board under the Ministry of Commerce. In the first 2 years of its operations till FY23, 27,000 hectares have been planted already, and with a target of another 50,000 hectares in the FY24 under the project. This is expected to increase the natural rubber availability in the next 5 years in the country.

The Crude based raw materials – Carbon Black, Synthetic Rubber, Fabric and Chemicals also experienced high input cost inflation during the fiscal.

The Company held its virtual Global Partners Summit 2022 for its raw material business partners with over 700 participants. During the summit, it shared its vision FY26. The Company used the platform to stress the importance of technology and the use of sustainable materials for the Company.

The Company maintained the agility and resilience in the supply chain amidst uncertain geo-political environment and volatile markets globally to efficiently supply the raw materials to the plants as per requirements while optimizing the inventory with a continued focus on near sourcing and leveraging raw material business partner relationships.

DIVIDEND

Your Company has a consistent track record of dividend payment. The Directors are pleased to recommend the Final Dividend of ₹4.00 per Equity Share and a Special Dividend of ₹0.50 per Equity Share on occasion of 50th AGM of the Company, aggregating to ₹4.50 (i.e. 450%) per Equity Share having face value of ₹1 each for FY23 for your approval.

The dividend, if approved, shall be payable to the Members holding shares as on cut-off date i.e. July 14, 2023.

RESERVES

The amount available for appropriations, including surplus from previous year amounted to ₹98,363.93 million. Surplus of ₹3,814.29 million has been carried forward to the balance sheet. A general reserve of ₹17,006.63 million has been provided.

BOARD OF DIRECTORS

A) Appointment/ Re-appointment of Directors

Dr. Jaimini Bhagwati (DIN:07274047) 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 February 2, 2023 to February 1, 2028 by the Members on March 31, 2023 through Postal Ballot.

In line with the succession planning of the Company & to separate the roles of Chairman and Managing Director, Mr. Onkar Kanwar (DIN:00058921) has stepped down from the position of Managing Director and will continue to act as Non-Executive Director designated as 'Chairman' with effect from February 1, 2023. The same was approved by the Members of the Company at the Annual General Meeting held on July 11, 2022.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Robert Steinmetz (DIN:00178792) and Mr. Sunam Sarkar (DIN:00058859), Directors of the Company, who retired by rotation, were re-appointed by the Members of the Company at the Annual General Meeting held during the year under review. Further, Mr. Vishal Mahadevia (DIN:01035771) and Mr. Francesco Gori (DIN:07413105), Directors of the Company, are liable to retire by rotation and being eligible offers themselves for re-appointment at the 50th Annual General Meeting of the Company.

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.

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.

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, apart from aforementioned appointment/ re-appointment/ continuation of Directors, there were no changes in Directors/ 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(l)(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 March 30, 2023.

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/content/dam/orbit/apollo-corporate/investors/corporate-governance/codes-policies/codes-policies/nrc-policy.pdf

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.

ISO 20400 CERTIFICATION

The Company's Raw Material Procurement Processes have been successfully validated in a third-party process for ISO 20400:2017 Sustainable Procurement standard.

This standard provides organizations with guidelines for integrating sustainability practices into their procurement processes. Sustainability has been one of the pillars of Company's Vision FY26 and this is an important milestone in that journey. We are the first Company in the automotive sector in India to get the ISO 20400.

PRODUCT & MARKETING

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.

In FY23, the APMEA (Asia Pacific/ Middle East/ 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. Committed investments in R&D and brand building continued to fuel the growth journey of the region to attain market leadership position.

According to internal estimates, the Company retained its leadership position in the PV replacement market, now for the third year in a row. With a sharp focus on its Premiumisation strategy, EV leadership and dual brand strategy, the Company continued to consolidate its leadership position in this segment.

In the CV segment, it continued to introduce new products to strengthen its market leadership. It launched the steer fitment tyres - 295/90 R20 EnduRace RA and Endutrax MA in the regional and mixed categories. Further, to cater to the growing ecommerce logistics and perishables sectors, it introduced 9.00 R20 Endurace LD+ and 9.00 R20 Endurace RA, the LCV range's succession products for superior performance delivery. During the fiscal, the Company achieved a huge milestone for its flagship CV product, Endurace LD, posting sales of over 10 million units since its inception in 2010. This feat has been possible with the decade long trust customers have placed in the performance of the product.

In the two-wheeler segment, the Company expanded its radial portfolio by introducing a Moto-Cross Tyre brand 'Tramplr'. Several products were added to the 'Tramplr' brand portfolio, catering to varying motorcycles. With this addition, its two-wheeler tyre segment addressability has gone up substantially.

In Europe, the Company continued to expand its offerings to meet the evolving needs of customers. During FY23, it focussed on building on the expansion spree that happened in the past fiscals for PV All-Season tyres, light truck tyres and winter ranges with Quatrac, Wintrac, Comtrac 2, strengthening its market offering. It celebrated 30 years in the All-Season segment by launching a new key product to extend its range in strategic segments. In the first half of the fiscal, Quatrac Pro EV was launched, specifically designed for electric vehicles, commemorating the launch of its first All-Season Tyre in 1993. In OHT, it completed 25 years journey of the remarkable and extremely successful Vredestein Traxion+ tractor tyres, which became a revolutionary tyre with a strong divergent pattern compared to the usual tractor tyre patterns of its time.

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

FUTURE OUTLOOK

According to data from International Monetary Fund (IMF), the global economy growth is expected to fall from 3.4% in CY22 to 2.8% in CY23, before inching up to 3.0% in CY24. Advanced economies are expected to see a muted growth from 2.7% in CY22 to 1.3% in CY23. Euro Area will continue in line with the global slowdown as its growth drops to 0.8% in CY23 and then move upwards to 1.4% in CY24.

According to Reserve Bank of India (RBI) and IMF, the overall growth rate for the Indian economy for FY24 is forecasted to be between 6.0-6.5%. The Indian economy is likely to benefit from increased infrastructure spend, banking credit growth, and a possible rural bounce-back due to easing inflation and will continue to be the fastest growing economy in the world. On the other side, risks include a lower-than-average monsoon, weak global demand, slow pickup of private capex, and FII outflows due to rising US policy rates.

Amid such uncertain economic and geo-political conditions, the Company has adopted a prudent fiscal approach. The focus continues to be on investing in good costs and cutting down bad costs, employee safety and conserving cash. The Company will focus on sustainable profitable growth as it focusses to achieve its Vision targets by FY26.

MATERIAL CHANGES AND COMMITMENTS

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 AND MATERIAL ORDERS PASSED BY REGULATORS

The Competition Commission of India (CCI) issued an order on February 2, 2022 mentioning that it has held five tyre manufacturers and Automotive Tyre Manufactures Association (ATMA) guilty of contravention of the provisions of Section 3 of the Competition Act, 2002 and imposed a penalty of ₹425.53 Crores on the Company.

The Company filed an appeal against the aforesaid order before the National Company Law Appellate Tribunal, New Delhi ('NCLAT'). The NCLAT through its judgement dated December 1, 2022 disposed off the appeals by remanding back the case to CCI for review. CCI has filed an appeal in the Supreme Court against the Order passed by the NCLAT. Hearing to consider admission of appeal is likely to come after September 2023.

Other than the aforesaid, no significant and 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's internal financial control framework is commensurate with the size, nature and complexity of its operations and is in line with the requirements of the Companies Act, 2013. 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 the 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, 2023, your Company had 33 Overseas Subsidiary Companies (including step subsidiaries), 1 wholly owned Subsidiary in India, 2 Associate Companies and 1 Joint Venture.

During the year under review, the Company had made an investment of ₹65 million in the equity share capital of Apollo Tyres Centre of Excellence Ltd, a wholly owned Subsidiary of the Company. The Company had also made a second tranche investment of ₹2.70 million by purchasing 33,750 Equity Shares (0.07%) of CSE Deccan Solar Private Limited, an Associate Company on May 26, 2022, post which, the total investment would aggregate to 12,00,000 Equity Shares (27.27%) amounting to ₹95.70 million to get a guaranteed supply of electricity for its Chennai Plant.

Apollo Tyres (Malaysia) Sdn. Bhd. (a wholly owned Subsidiary of Apollo Tyres Holdings (Singapore) Pte. Ltd) is in the process of liquidation from the Companies Commission of Malaysia as the Company had changed its business model in Malaysia from multiple dealer network to Distributor model.

During the year under review, ATL Singapore Pte Ltd., (a wholly owned Subsidiary of Apollo Tyres Holdings (Singapore) Pte. Ltd) was liquidated and its name got struck off from the Registrar and Accounting and Corporate Regulatory Authority (ACRA).

Apart from the above, no other Company has become or ceased to be Subsidiary, Associate or Joint Venture of the Company during FY23.

MATERIAL SUBSIDIARIES

Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 defines a 'material Subsidiary' to mean a Subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed Company and its subsidiaries in the immediately preceding financial year.

In addition to the above, Regulation 24(1) of the abovementioned regulations requires that at least one Independent Director on the Board of Directors of the listed Company to be a Director on the Board of Directors of unlisted material Subsidiary, whether incorporated in India or not. For this provision, material Subsidiary means a Subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its Subsidiaries in the immediately preceding financial year. Basis this definition, your Company has following five material unlisted Subsidiaries viz. Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.), Apollo Tyres (Hungary) Kft., Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.), Apollo Tyres Cooperatief U.A. and Apollo Tyres Holdings (Singapore) Pte Ltd. as on March 31, 2023.

Mr. Akshay Chudasama, an Independent Director of the Company was nominated as Director on the Board of Apollo Tyres (NL) 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 (Europe) B.V & Apollo Tyres Cooperatief U.A, with effect from April 1, 2019.

Other requirements of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 with regard to Corporate Governance for Subsidiary Companies have been complied with.

a) Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.)

Apollo Tyres (NL) B.V. is a 100% subsidiary of Apollo Tyres (Europe) B.V. and ultimately held by Apollo Tyres Ltd, India, a listed multinational organisation, and a global tyre manufacturer.

The Company focuses on developing, manufacturing and sale of various categories of passenger and agriculture tyres. The Company has its production facility based in Enschede, Netherlands. The Company has Subsidiary Companies across Europe, engaged in the sales and distribution of tyres.

b) Apollo Tyres (Hungary) Kft.

Apollo Tyres (Hungary) Kft. is one of the latest manufacturing facility within Apollo Tyres group. The Company continued to ramp up its production capacity during the year for both passenger & commercial tyres production line.

During FY23, the Company has made required investments for debottlenecking and line balancing the capacity in passenger vehicle tyres.

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

The principal activities of the Company are of sourcing raw materials for Apollo Tyres manufacturing plants in India and Europe besides the provision of other strategic services to the group. 56% of the raw material procurement was Natural Rubber in the year FY23. Major sourcing countries are Thailand and Indonesia.

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. The team is also responsible for outsourcing finished goods for APMEA and Europe regions for certain specific tyre categories.

In addition, Corporate HR team, based out of Singapore, is managing and facilitating the effective deployment of HR systems and policies, 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 (Europe) B.V. (Formerly Apollo Tyres B.V.)

Apollo Tyres (Europe) B.V. incorporated in Netherlands is a Holding Company with two Subsidiaries, Apollo Tyres (NL) B.V. and Apollo Tyres (Hungary) Kft. The Company focuses on developing, sourcing, marketing, sales and distribution of tyres across various categories including passenger car, truck & bus, agriculture, industrial vehicles and bicycles. The group sells passenger vehicle tyres under two brands, Vredestein and Apollo. The Company has its headquarters base at Amsterdam, Netherlands. Sales operations are managed by various Subsidiary Companies across Europe.

e) Apollo Tyres Cooperatief U.A.

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

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements, together with Auditors' Report, form part of the Annual Report.

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, 2023 is also attached with financial statements.

DEBENTURES

The following series of Secured Redeemable Non-Convertible Debentures (NCDs) were issued and allotted during the year under review through Private Placement: -

Sl. No.	Series of NCDs	No. of NCDs @ Face Value of ₹10,00,000 each	Value (₹ in Million)	Date of Allotment
1	Apollo Tyres 6.93% 2023 Opt I	2,500	2,500	September 13, 2022
2	Apollo Tyres 7.53% 2027 Opt II	2,500	2,500	September 13, 2022

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

DEPOSITS

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

AUDITORS

M/s. S.R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), Chartered Accountants (Member firm of Ernst & Young Global) were appointed as the Statutory Auditors of the Company for a period of 5 years, from the conclusion of 49th AGM until the conclusion of the 54th AGM, at the AGM held on July 11, 2022.

AUDITORS' REPORT

The report given by M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors on financial statements of the Company for FY23 forms 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 FY23.

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 FY24 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 FY24 is subject to ratification by 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 FY23 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 Auditor is annexed with the report as **Annexure I**.

M/s. PI & Associates, Company Secretaries have been re-appointed to conduct the Secretarial Audit of the Company for FY24. They have confirmed that they are eligible for the said appointment.

MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 5 (five) 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 forms part of the 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 the 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 and Sustainability 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 issued, subscribed and paid-up Equity Share Capital of the Company was 635,100,946 equity shares of ₹ 1/- each. There was no change in the capital structure of the Company.

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.

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

a) 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.

b) During the year under review, Mr. Neeraj Kanwar (DIN:00058951), Vice Chairman & Managing Director, also received remuneration from Apollo Tyres (UK) Holdings Ltd. (Formerly 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) & (3) 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. The Company conducts, from time to time, awareness sessions on prevention of sexual harassment at workplace for its employees.

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 complaint/ case at the beginning as well as at the end of financial year.

HEALTH, SAFETY AND 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 Chennai plant of your Company has been awarded the Deming Prize, perhaps the most important recognition in the field of Quality. This award is sponsored by the Japanese Union of Scientists and Engineers and since 1951 when it was instituted, it is the gold standard in quality that all around the world aspire to. This was a moment of great pride for all of us at Apollo Tyres.

The Company bagged certification of Top Employers in Singapore and the UK for 2023. The Top Employers Institute is the global authority on recognising excellence in people practices.

Other prominent Awards are listed below for your reference.

Name of the Award	Category	Awarded by
Compliance Team 2022	Compliance	Legasis Services and Bombay Stock Exchange
ASSOCHAM WORKVISION 2022 HR Excellence Award	Effective Drivers of Recruitment, Engagement & Retention	ASSOCHAM
18th Indo-American Corporate Excellence (IACE) Awards 2022		Indo-American Chamber of Commerce (IACC)
SEEM National Energy Management Award (SNEMA)	Industries & Facilities (Tyres)	Society of Energy Engineers and Managers (SEEM)
Best Kaizen, Best Idea and Maximum Contributor of Ideas	Water Conservation and Management (Reduce, Recycle, Reuse and Regenerate)	Confederation of Indian Industry (CII)
Green Champions Award 2021		Government of Tamil Nadu
Good Design Awards 2021	Transportation category	Chicago Athenaeum: Museum of architecture and design and the European Centre for Architecture Art Design and Urban Studies
ISO 20400 certification for Sustainable Procurement	Sustainable procurement	
Best Organisation for Promoting QC		Quality Circle Forum of India

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, United States (US) region and Corporate Functions headed by President (APMEA), President (Europe), Group Head (New Market & Channels) 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 linked with National Development Goals and globally with the Sustainable Development Goals (SDGs). The Company has a CSR team, which exclusively works towards achievement of CSR goals of the organisation. All the CSR activities of the Company are routed through a registered trust (Apollo Tyres Foundation) and functions with close monitoring and guidance of the CSR committee.

In the reporting year, the Company 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/content/dam/orbit/apollo-corporate/investors/corporate-governance/codes-policies/codes-policies/atl-csr-policy.pdf

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, has mandated the top 1000 Listed Companies by market capitalisation to include Business Responsibility and Sustainability Report ('BRS Report') in their Annual Report with effect from FY23. This BRS Report will replace the existing Business Responsibility Report.

Accordingly, a BRS 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) of the said Act has been placed on the website of the Company www.apollotyres.com under the Investors Section (Refer link: https://corporate.apollotyres.com/investors/corporate-governance/#?activeTab=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. S.R. Batliboi & 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:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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;

(c) 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;

(d) 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
Chairman
DIN: 00058921

Place: Amsterdam
Date: May 9, 2023

Annexure I

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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")**. The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon for the financial year ended on March 31st, 2023 **("Audit Period")**. The principal business activity of the Company is the manufacturing and sale of automotive tyres.

Limitation of the Auditors

(i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also 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, complied with the statutory provisions listed hereunder; and

(ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

(i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit **("Guidance Note")** and Auditing Standards issued by the Institute of Company Secretaries of India **("ICSI")**. The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

(ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

(iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness, and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.

(iv) 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 Board processes and compliance-mechanism.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, 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 and 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 Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not applicable to the Company during the audit period)***

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(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 (hereinafter referred to as 'Listing Regulations').

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.)

Based upon the Management Representation wherever required from the Company, 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 the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company: -

a. Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control), Order, 2009; and

b. Bureau of India Standards Act, 1986 and the Rules made thereunder as applicable to Tyre Industry.

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

(i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

We further report that:

(i) The Board of Directors of the Company was duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors during the Audit Period. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act. The following changes took place during the audit period:

    (a) Dr. Jaimini Bhagwati (DIN:07274047) was appointed as an Independent Director of the Company for a period of 5 consecutive years from February 02, 2023 to February 01, 2028.

(ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.

(iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

(iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes 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 events have occurred in the Company having major bearing on the Company's affairs:

i. That the Company issued 5,000 fully Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs") at a face value of ₹10,00,000 (Rupees Ten Lakhs) aggregating to ₹500,00,00,000 (Rupees Five Hundred Crores), 2,500 each to ICICI Bank Ltd and Axis Bank Ltd.

ii. The Company has received an order dated December 1, 2022 from National Company Law Appellate Tribunal (NCLAT) in respect of the appeal filed by the Company against the order of Competition Commission of India (CCI) dated August 31, 2018 wherein NCLAT has remanded the matter back to the CCI to hear the parties again and review its findings.

For **PI & Associates**
Company Secretaries

Ankit Singhi
Partner
FCS No.: 11685
CP No.: 16274
Peer Review No.: 1498/2021
UDIN: F011685E000281207

Place: New Delhi
Date: 09.05.2023

Disclaimer :

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

To,
The Members,
Apollo Tyres Limited

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

(i) 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.

(ii) 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 sampling 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.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.

(vi) 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

Ankit Singhi
Partner
FCS No.: 11685
CP No.: 16274
Peer Review No.: 1498/2021
UDIN: F011685E000281207

Place: New Delhi
Date: 09.05.2023

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILTY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company.

Care for society is one of the core Apollo values and all the CSR initiatives are designed to address the need of the community. The main aim of the CSR activities is to create 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 wider outreach. Our ethos is to work in collaboration.

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.

CSR policy of Apollo Tyres Ltd covers 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 32 transhipment locations in 19 States (ongoing. Incorporate more health services at the locations and explore partnership for greater outreach.)

2) **Solid Waste Management and Sanitation Programme (SPARSH)** in different transhipment hubs and communities around manufacturing locations (ongoing). Introduction of up-cycle products from waste. End of Life Tyre Playgrounds at selected locations and toilet with bathing facility initiative to promote safe sanitation at Chennai, Baroda and Chinnapanduru locations.

3) **Livelihood for underprivileged women:** Income generation trainings, linking more number of beneficiaries with financial institution, local market for business development and with government schemes and involving more number of women in livelihood activities. Expansion at Baroda, Kottayam, Chennai, and AP location (ongoing). One new location Dahod (aspirational district-Gujarat) initiated in the FY23 for livelihood activities with Scheduled Tribe community.

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), Miyawaki afforestation project at Gujarat (ongoing).

5) **Local Initiatives:** Watershed management project such as pond conservation and drinking water project around manufacturing units. Support to Anganwadi Centres etc.

6) **Philanthropic Initiatives:** Treatment support to the patient suffering from rare neurological disorder, vocational training, and education support to underprivileged youth through (Deepstambh NGO), Jalgaon, Maharashtra.

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	Onkar Kanwar	Chairman	2	2
2	General Bikram Singh (Retd.)	Independent Director	2	2
3	Sunam Sarkar	Non- Executive Director	2	2
4	Lakshmi Puri*	Independent Director	2	1

*Ms. Lakshmi Puri, Independent Director was appointed as a Member of CSR Committee by the Board at it meeting held on May 12, 2022.

3. Provide the web-link (s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   https://corporate.apollotyres.com/sustainability-and-ethics/policy-and-documents/#?activeTab=Policies

4. Provide the executive summary along with weblink (s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ **6612.59 million**

   (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ **132.25 million**

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **Nil**

   (d) Amount required to be set off for the financial year, if any: **Nil**

   (e) Total CSR obligation for the financial year ((b) +(c) –(d)).: ₹ **132.25 million**

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project): ₹ **125.95 million**

   (b) Amount spent in Administrative Overheads: ₹ **6.30 million**

   (c) Amount spent on Impact Assessment, if applicable: **Nil**

   (d) Total Amount spent for the financial year ((a)+(b)+(c)): ₹ **132.25 million**

   (e) CSR amount spent or unspent of the financial year: ₹ **132.25 million**

Total Amount Spent for the Financial Year (in million)	Amount Unspent (in ₹ million)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 132.25	Nil	NA	NA	NA	NA

   (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub section(5) of Section 135	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in ₹ million)	Balance amount in unspent CSR account under sub-section	Amount spent in the Financial Year (in ₹ million)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub section (6) of Section 135 (in ₹ million)		Amount remaining to be spent in succeeding financial years (in ₹ million)	Deficiency, if any
					Amount (in ₹ million)	Date of transfer.		
1.	2022-23	0	0	0	0	0	0	
2.	2021-22	0	23.28	23.28	0	0	0	
3.	2020-21	23.28	23.28	0	0	0	0	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility Amount spent in the Financial Year:

Yes

If yes, enter the number of capital assets created/acquired 6

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short Particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ million)	Details of entity/ authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
1	Canon Printer (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	23.09.2022	0.19	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042
2	General WAC 1.5 TN AXGB18BAWA (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	04.03.2023	0.04	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042
3	General WAC 1.5 TN AXGB18BAWA (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	04.03.2023	0.04	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042
4	General WAC 1 TN AMGB12BAWA 5S (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	04.03.2023	0.03	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042

Sl. No.	Short Particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ million)	Details of entity/ authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
5	General SAC ASGG18CGTB INV (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	04.03.2023	0.06	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042
6	General SAC 2 TN ASGG24CGTB INV (BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042)	110042	04.03.2023	0.07	CSR00000622	Apollo Tyres Foundation	BG-218, Sanjay Gandhi Transport Nagar, Delhi-110042

All the fields should be captured as appearing in the revenue record, flat no, house no, municipal office/municipal corporation/ gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135:

Not Applicable

For and on behalf of the Board of Directors

Place: Amsterdam
Date: May 9, 2023

ONKAR KANWAR
Chairman of CSR Committee
DIN: 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN:00058951

Annexure III

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Section A: General Disclosures

Details of the listed entity:

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Entity	L25111KL1972PLC002449
2.	Name of the Listed Entity	Apollo Tyres Ltd
3.	Year of Incorporation	1972
4.	Registered Office Address	3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi-682036 (Kerala)
5.	Corporate Address	No.7, Apollo House, Institutional Area, Sector-32, Gurugram-122001
6.	E-mail	investors@apollotyres.com
7.	Telephone	0124 2721000
8.	Website	www.apollotyres.com
9.	Financial Year for which report is being done	2022 – 23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11.	Paid-up Capital (₹)	635,100,946
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Ms. Seema Thapar 0124 2721000 investors@apollotyres.com
13.	Reporting Boundary (Standalone or Consolidated basis)	Standalone Basis

Products and Services:

14. Details of business activities *(accounting for 90% of the turnover):*

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1.	Manufacturing	Tyres, Tubes & Flaps	100%

15. Product/ Services sold by the entity *(accounting for 90% of the entity's turnover):*

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1.	Tyres, Tubes, and Flaps	22111	100

Operations:

16. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	5	173	178
International	2	8	10

17. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	100+ countries served

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export is 15.25% as percentage of total turnover.

c. A Brief on types of customers?

OEMs, Business Partners, Tyre retailers and distributors, fleets, and end consumers.

Employees:

18. Details as at the end of Financial Year 2022- 23

a. Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (C)	Percentage (C/A)
	Employees *(including differently abled)*					
1.	Permanent Employees	3,040	2,965	98%	75	2%
2.	Other than Permanent Employees	91	72	79%	19	21%
3.	**Total Employees (1+2)**	**3,131**	**3,037**	**97%**	**94**	**3%**
	Workers *(including differently abled)*					
4.	Permanent Workers	4,795	4,789	99.9%	6	0.1%
5.	Other than Permanent Workers	8,164	7,878	96.5%	286	3.5%
6.	**Total Workers (4+5)**	**12,959**	**12,667**	**97.7%**	**292**	**2.3%**

b. Differently abled Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (C)	Percentage (C/A)
	Differently Abled Employees					
1.	Permanent Employees	6	6	100%	0	0%
2.	Other than Permanent Employees	0	0	0	0	0%
3.	**Total Employees (1+2)**	**6**	**6**	**100%**	**0**	**0%**
	Differently Abled Workers					
4.	Permanent Workers	10	10	100%	0	0%
5.	Other than Permanent Workers	0	0	0	0	0%
6.	**Total Workers (4+5)**	**10**	**10**	**100%**	**0**	**0%**

19. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	15	2	13%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	30%	12%	9%	18%	10%	4%	12%	5%
Permanent Workers	6%	20%	6%	8%	0%	8%	3%	50%	3%

Holding, Subsidiary and Associate Companies *(including joint ventures):*

21. (a). Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate Company/ joint venture (A)	Indicate whether holding/ subsidiary/ associate Company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Apollo Tyres Centre of Excellence Limited	Subsidiary	100%	No
2.	Apollo (South Africa) Holdings (Pty) Ltd	Subsidiary	100%	No
3.	Apollo Tyres Africa (Pty) Ltd	Subsidiary	100%	No
4.	Apollo Tyres (Thailand) Limited	Subsidiary	100%	No
5.	Apollo Tyres (Middle East) FZE	Subsidiary	100%	No
6.	Apollo Tyres Holdings (Singapore) Pte Ltd	Subsidiary	100%	No
7.	Apollo Tyres (Malaysia) SDN BHD	Subsidiary	100%	No
8.	Apollo Tyres Cooperatief U.A.	Subsidiary	100%	No
9.	Apollo Tyres (Greenfield) B.V	Subsidiary	100%	No
10.	Apollo Tyres Global R&D B.V	Subsidiary	100%	No
11.	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.)	Subsidiary	100%	No
12.	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.)	Subsidiary	100%	No
13.	Vredestein Consulting B.V.	Subsidiary	100%	No
14.	Finlo B.V.	Subsidiary	100%	No
15.	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK)	Subsidiary	100%	No
16.	Apollo Tyres (London) Pvt Ltd	Subsidiary	100%	No
17.	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	Subsidiary	100%	No
18.	Saturn F1 Pvt Ltd	Subsidiary	100%	No
19.	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH)	Subsidiary	100%	No
20.	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH)	Subsidiary	100%	No
21.	Reifencom GmbH, Hannover	Subsidiary	100%	No
22.	Reifencom Tyre (Qingdao) Co., Ltd.	Subsidiary	100%	No
23.	Apollo Tyres AG	Subsidiary	100%	No
24.	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	Subsidiary	100%	No
25.	Apollo Tyres Do (Brasil) Ltda	Subsidiary	100%	No
26.	Apollo Tyres (Hungary) Kft.	Subsidiary	100%	No
27.	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft)	Subsidiary	100%	No
28.	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	Subsidiary	100%	No
29.	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	Subsidiary	100%	No

S. No.	Name of the holding/ subsidiary/ associate Company/ joint venture (A)	Indicate whether holding/ subsidiary/ associate Company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
30.	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	Subsidiary	100%	No
31.	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	Subsidiary	100%	No
32.	Apollo Tyres Iberica S.A. (Formerly Apollo Vredestein Iberica SAU)	Subsidiary	100%	No
33.	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.)	Subsidiary	100%	No
34.	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	Subsidiary	100%	No
35.	Pan Aridus LLC	Joint Venture	50%	No
36.	KT Telematic Solutions Private Limited	Associate	25%	No
37.	CSE Deccan Solar Private Limited	Associate	27.27%	No

CSR Details:

22.

Location	Number
(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii). Turnover (in ₹)	168,899,090,000
(iii). Net Worth (in ₹)	98,999,030,000

Transparency and Disclosures Compliances:

23. Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Investors (other than shareholders)	Yes	0	0	We have considered the Debenture Holders (NCDs)	0	0	We have considered the Debenture Holders (NCDs)
Shareholders	Yes	16	0	These are based on the fillings made with the Stock Exchange	15	0	Based on the BRR for FY 2022

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Employees and Workers (including contract laboures)	Yes (Apollo COC, HR Policy, Human Rights Policy, & Individual Forums in Plants)	0	0	No complaints registered	0	0	No complaints registered
Customers	Yes 1800-212-7070 - Toll Free Number	422	1	Only service dealers are available	383	0	All complaints resolved
Consumers	Yes 1800-212-7070 - Toll Free Number	614,061	710	Consumer complaints	571,504	0	Consumer complaints
Contractors	Yes	0	0	No complaints	0	0	No complaints
Communities	Yes	0	0	No complaints registered	0	0	No complaints registered
Implementing Partner (NGOs)	Yes	0	0	No complaints registered	0	0	No complaints registered

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Market	Risk	• Ever-changing customer behavior. • Increased indirect (operating) costs.	To evaluate financial risks and opportunities, Apollo Tyres risk management approach was aligned with the business risk management framework.	Negative Impact
2	Emerging Regulation	Risk	• Ongoing and emerging Climate change regulation landscape. • Enhanced climate reporting and emissions obligations.		Negative Impact

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Extreme Weather Conditions	Risk	• Climate change is causing extreme heat waves leading to increase in both frequency and intensity of extreme events like drought.		Negative Impact
4	Markets	Opportunity	• Scarcity of Resources-sustainable materials, Natural Rubber, new and recycled materials.		Positive Impact
5	Energy	Opportunity	• Adoption of lower-emission sources of energy.		Positive Impact

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Principle Name	Ethics and Transparency	Sustainable Business	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment Conservation	Public Advocacy	Community Development	Consumer Welfare
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the policies, if available	https://corporate.apollotyres.com/investors/corporate-governance/								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.[1]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[1]The policies follow 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.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Principle Name	Ethics and Transparency	Sustainable Business	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment Conservation	Public Advocacy	Community Development	Consumer Welfare

5. Specific commitments, goals, and targets set by the entity with defined timelines, if any. **6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.**	In line with Apollo Tyres' Vision & Value of creating an inclusive culture, building a responsible and sustainable business that benefits partners, community, and society; the Company has been working on developing climate adaptive operations and increasing its diversity and inclusion amongst its workforces. To realize the Company's ambition, following commitments and targets have been adopted: • Ambition to become Carbon Neutral by 2050 • Reduce Scope 1 emission intensity by 25% in FY26 compared to FY20 • Reduce Scope 2 emission intensity by 35% in FY26 compared to FY20 • Source 30% of total power usage from Renewable Sources by FY26 • Improve water withdrawal intensity by 25% in FY26 compared to FY19 • Increase usage of sustainable raw material to 40% by 2030 • Improve its diversity and inclusion (D&I) to 12% globally by 2026 • Committed to sustainable development of its communities by reaching out to over 13.5 million beneficiaries by 2026 through CSR initiatives. Apollo Tyres has made significant and sustainable progress in its Environmental, Social, and Governance (ESG) commitments by steadily investing in energy-saving initiatives, renewable energy capacity, R&D, innovation, and manufacturing of sustainable materials (including conducting life cycle assessment of products), and community development initiatives. All sites are ISO 9001, 14001, and 45001 certified and Apollo Tyres Ltd also adopted ISO 26000:2010, an International Framework on Social Responsibility, under which all the adopted ESG procedures are independently assured by a third-party. In India, Apollo Tyres Ltd, is the first Company in the automotive sector to adopt ISO 20400 framework on Social responsibility for its supply chain.

Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements *(listed entity has flexibility regarding the placement of this disclosure)*

Apollo Tyres Ltd continuously works towards achieving sustainability across its operations and value chain. Our sustainability governance framework provides for both identification of key material issues, risks and opportunities of the organisation and strategies to address them. Our efforts are to minimize the environmental and social impacts of our business activities while creating value for our stakeholders. Further progress on sustainability is shared in the ESG Report FY23.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	**Name:** Sunam Sarkar **Designation:** President & Chief Business officer **Email:** sunam.sarkar@apollotyres.com **Telephone No:** +65 6804 6262 **Address:** Apollo Tyres Holdings (Singapore) Pte Ltd 9 Temasek Boulevard #42-01 Suntec Tower 2 Singapore 038989
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). **If "Yes", provide details**	Yes, Business Responsibility and Sustainability Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Business Responsibility & Sustainability Report (BRSR) (erstwhile BRR) is reviewed by the Business Responsibility and Sustainability Committee on an Annual Basis. The same is placed before the Board annually as it forms an integral part of the Company's Annual Report.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).

If "Yes", provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9

- Apollo Tyres had considered 'External Consultation' during formulation of Governance framework as per Business Responsibility Report (BRR).
- Apollo Tyres has adopted ISO 26000:2010, an International Standard on Social Responsibility, which encompasses 6 core subjects namely, Environment, Community Involvement & Development, Fair Operating Practices, Customer Issues, Labour Practices, and Human Rights. All the adopted procedures across the 6 core subjects are also independently assured by a Third-Party.

12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any Other Reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: NA- Not Applicable

Section C: Principle Wise Performance Disclosure

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	11	**Session on:** • Sustainability • Sustainability Roadmap • Sustainability Pillars • Corporate Social Responsibility (CSR) projects empowering women • HR processes related to Gender Diversity	100%

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
		• Cyber Security • Regulatory Updates • Digitalisation • Technology and Innovation • People • Brand	
Key Managerial Personnel (KMP)	11	**Session on:** • Sustainability • Sustainability Roadmap • Sustainability Pillars • Corporate Social Responsibility (CSR) projects empowering women • HR processes related to Gender Diversity • Cyber Security • Regulatory Updates • Digitalisation • Technology and Innovation • People • Brand	100%
Employees other than BoD and KMP	646	• Compliance Programs, including Code of Conduct and POSH trainings • Functional Training Programs • Onboarding and Leadership Journey Programs • Sales Program and Technical product base programs • Behavioural training programs and communication skills • ATQM and Plant specific technical trainings • Health and Safety Programs • Waste Management and Process trainings	92%
Workers	Over 1,000	• Compliance Programs, including Code of Conduct and POSH trainings • Basic Safety awareness trainings and Fire Training/ Mock drills • Functional programs on Workflow, and Quality awareness trainings • EMS, BBS, Production Safety, 5's, QC Tools, and Incoming & Outgoing Material Quality trainings • Machine Operation and Work Instruction trainings • Customer Requirement, ATQM Training, 7 QC Tools, Core Values, Product Safety, and IMS trainings	80%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as discussed on the entity's website)

No monetary and non-monetary fine has been paid in the current financial year 2022- 23.

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of Case	Has an appeal been preferred? (yes/ No)
Monetary					
Penalty/ Fine	Nil				
Settlement					
Compounding Fee					
Non-Monetary					
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2, above detail of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The Competition Commission of India (CCI) issued an order on February 2, 2022 mentioning that it has held five tyre manufacturers and Automotive Tyre Manufactures Association (ATMA) guilty of contravention of the provisions of Section 3 of the Competition Act, 2002 and imposed a penalty of ₹ 425.53 Crores on the Company. The Company filed an appeal against the aforesaid order before the National Company Law Appellate Tribunal, New Delhi ("NCLAT"). The NCLAT through its judgement dated December 1, 2022 disposed off the appeals by remanding back the case to CCI for review. CCI has filed an appeal in the supreme court against the Order passed by the NCLAT. Hearing to consider admission of appeal is likely to come after September 2023.	Competition Commission of India (CCI)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide web-link to the policy.

Yes. Refer to Code of Conduct Policy.

https://corporate.apollotyres.com/investors/corporate-governance/

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Directors	0	0
Key Managerial Personnel (KMPs)	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	Current Financial Year 2022- 23		Previous Financial Year 2021- 22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

We had appealed against the judgement of CCI in NCLAT, which has remanded back the case to CCI for fresh adjudication. CCI has filed an appeal in the supreme court against the Order passed by the NCLAT. Hearing to consider admission of appeal is likely to come after September 2023.

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	**Sustainability Workshop for all Apollo Supplier Partners held in July 2022, covering the following topics:** a) Apollo Sustainability Journey b) Sustainable Material development c) Awareness on ISO20400:2017 Sustainable Procurement Guidance d) Guidelines for Apollo RM Supply Chain e) Apollo Tyres Sustainable Procurement Policy (ATSPP) f) Apollo Sustainable Natural Rubber Policy (ASNRP)	100%
2	**Apollo Sustainable Natural Rubber Workshop for all Apollo NR Supplier Partners:** conducted 2 workshops in January 2022 to enlighten partners about our requirements around Business integrity, ethics, transparency, and accountability for the upstream natural rubber supply chain as per Apollo Sustainable Natural Rubber Policy, which is developed around Global Platform for Sustainable Natural Rubber (GPSNR) Policy framework.	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No).

If "Yes", provide details of the same.

Yes. Apollo Tyres has processes in place to avoid/ manage conflict of interests involving members of Board and Company's Code of Conduct for Directors and Senior Management covers guidelines related to Conflict of Interest. It is applicable to all Board of Directors and Senior Management and provides guidelines for avoiding any conflict of interest, both actual or apparent, and the mechanism to report any such situations that may give rise to a potential conflict. The Company's Policy on Related Party Transactions intends to ensure that proper reporting, approval, and disclosure processes are in place for all transactions between the Company and related parties. Further in accordance with the provisions of Section 184 of the Companies Act, 2013 read with the relevant rules, every Director and Key Managerial Personnel (KMP) at the first meeting of the Board in which he/ she participates as a Director and thereafter, at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, discloses his/her concern or interest in FORM MBP-1 in any Company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding. If the Director is interested in any Agenda item, the Director does not participate/ vote in the said item to avoid conflict of interest.

Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2022- 23	Previous Financial Year 2021- 22	Previous Financial Year 2021- 22
R&D Opex (Excluding Manpower)	8.10%	5.99%	**Reduce:** Low rolling resistance and Lightweight of tyres significantly reduced CO_2 emissions which positively impacted the scope 3 emissions in the usage phase.
R&D Opex (Including Manpower)	23.37%	20.71%	**Recycle:** Increasing the Utilisation of recycled materials in tyres helped in achieving a circular economy in the tire industry.
R&D Capex	79.08%	26.02%	**Reuse:** Extending the usage lifespan of tyres through enhanced durability and re-treading, reduced the environmental impact caused by discarded tyres. **Replace:** Using sustainable raw materials in place of conventional fossil-based materials in tyre compounds improved the carbon footprint. **Redesign:** Optimizing raw materials and dimensions of components enhanced the strength-to-weight ratio & conserved the raw materials used in tyres.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).

b. If "Yes", what percentage of inputs were sourced sustainability?

Yes, At Apollo Tyres,

- We have defined our 'Sustainable Procurement' Vision, Policy, and Guiding Principles.
- The guidelines for the Apollo Suppliers are laid down and deployed through the Apollo Tyres Sustainable Procurement Policy (ATSPP) for raw materials other than Natural Rubber and Apollo Sustainable Natural Rubber Policy (ASNRP) for Natural Rubber Supply Chain.
- Social, Ethical, and Environmental key performance indicators (KPIs) are integrated into the supplier selection process in line with the guidance on Sustainable Procurement as per ISO20400:2017 Standard.

100% of new supplier screening includes these factors in the assessment system and selection beginning from April 2022 onwards. At Apollo Tyres, we monitor data on sourcing of material from ISO 14001 and ISO 45001 certified partners. In the current FY 2022- 23, 79% of total raw material (by value) was sourced from ISO certified suppliers, globally and 61% of total raw material (by value) was from ISO certified suppliers for Apollo operations in India.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) Other waste.

Apollo Tyres, follows environmental safe industry practices (Reuse and Recycle), all the empty plastic boxes and bags are returned to vendor and other non-returnable plastic materials are sold to authorized scrap dealer to reuse/recycle. We have agreement in place with authorized recyclers for safe disposal of hazardous waste and E-waste to authorized TSDF and recyclers, respectively. As a process, all the waste generated at sites are disposed in accordance with the State Pollution Control Board Guidelines.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

- **If "Yes", whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?**
- **If "Not", provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable to Apollo Tyres Ltd, and Company plans to buy the EPR certificates from registered Recyclers through the Central Pollution Control Board (CPCB), as part of its compliance commitment.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) or for its services (for service industry)? If "Yes", provide details in the following format:

NIC Code	Name of product/ service	% of Total Turnover contributed	Boundary for which the Life cycle perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If "Yes", provide web-link
22111	Endurace LD	6.5%	Cradle to Grave	Yes	No
22111	Amazer 4G	0.56%	Cradle to Grave	Yes	No
22111	Alnac 4G	0.85%	Cradle to Grave	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action-taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
Amazer 4G	The major global warming potential contribution in the value chain is from the use phase.	Progressive reduction of tyre weight in PCR up to ~8% by redesigning the product, which directly corresponds to the reduction in the consumption of hydrocarbon, resulting in reduced carbon footprint per tyre.
Alnac 4G	The major global warming potential contribution in the value chain is from the use phase.	During the fiscal FY 2022, the rolling resistance of the PCR was reduced from 7 Kg/T to 6.3 Kg/T translating into reduction of rolling loss and reduced fuel consumption, without compromising any other performance.
Endurace LD	The major global warming potential contribution in the value chain is from the use phase.	The Company uses efficient techniques for re-treading truck tyres to provide extended life cycle of the tyre body material to 2-3 times, thus avoiding the need for frequent replacements. Re-treading 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.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	Current Financial Year 2022- 23	Previous Financial Year 2021-22
Reclaim Rubber	0.23%	0.20%
Crumb Rubber	0.10%	0.10%
Chlorobutyl Reclaim	0.11%	0.09%

Principle 3 **Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators

1. a. **Details of measures for the well-being of Employees:**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,965	2,965	100%	2,965	100%	-	-	2,965	100%	2,965	100%
Female	75	75	100%	75	100%	75	100%	-	-	75	100%
Total	**3,040**	**3,040**	**100%**	**3,040**	**100%**	**75**	**2%**	**2,965**	**98%**	**3,040**	**100%**
Other than Permanent Employees											
Male	72	72	100%	72	100%	-	-	72	100%	72	100%
Female	19	19	100%	19	100%	19	100%	-	-	19	100%
Total	**91**	**91**	**100%**	**91**	**100%**	**19**	**21%**	**72**	**79%**	**91**	**100%**

1. b. **Details of measures for the well-being of Workers:**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	4,789	4,789	100%	4,789	100%	-	-	4,789	100%	4,789	100%
Female	6	6	100%	6	100%	6	100%	-	-	6	100%
Total	**4,795**	**4,795**	**100%**	**4,795**	**100%**	**6**	**0.1%**	**4,789**	**99%**	**4,795**	**100%**
Other than Permanent Workers											
Male	7,878	7,878	100%	7,878	100%	-	-	-	-	-	-
Female	286	286	100%	286	100%	286	100%	-	-	-	-
Total	**8,164**	**8,164**	**100%**	**8,164**	**100%**	**286**	**4%**	**-**	**-**	**-**	**-**

2. Details of retirement benefits, for Current FY 2022-23 and Previous FY 2021-22

Benefits	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	1%	7%	Yes	2%	5%	Yes
Others- WC	67%	100%	Yes	65%	100%	Yes

WC: Workmen Compensation

3. Accessibility of Workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If "Not", then whether any steps are being taken by the entity in this regard.

At Apollo Tyres, we value diversity of people with whom we work and commit to equal opportunity and intolerance of discrimination and harassment. Apollo Tyres 'Equal Opportunity Policy' is in line with the statutory compliance as stipulated under "The Rights of Persons with Disabilities Act, 2016 and Rules, 2017". The Company ensures to provide support and facilities for the wellbeing of its employees, including those with special needs to effectively discharge their duties in the Company.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, please provide the web-link of the policy.

Apollo Tyres Ltd's Code of Conduct for Employees states "equal opportunity is a matter of fairness, respect, and dignity". The Company always provides and maintains equal opportunities during recruitment as well as course of employment, irrespective of caste, creed, gender, race, religion, disability, or sexual orientation. There is 'Equal Opportunity Policy' in place and accessible to all employees on ATL Intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	98.3%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**99.2%**	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If "Yes", give details of the mechanism in brief:

Permanent Workers **Other than Permanent Workers** **Permanent Employees** **Other than Permanent Employees**	Yes. At Apollo Tyres Ltd, there is a well-established mechanism available for all cadres of employees and workers to raise and redress their grievances. The concerns can be raised in the following manner, via • Line Manager • The HR Business Partner (HRBP) for business area/region In addition, if somebody wants to report a concern maintaining confidentiality, he/ she can put that in writing to an exclusive email ID: coc.report@apollotyres.com Depending on the assessment of the raised concern, appropriate action is taken.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)
Total Permanent Employees	**3,040**	**0**	**0%**	**3,240**	**0**	**0%**
- Male	2,965	0	0%	3,150	0	0%
- Female	75	0	0%	90	0	0%

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)
Total Permanent Workers	**4,795**	**4,527**	**94.4%**	**5,081**	**5,071**	**99.8%**
- Male	4,789	4,521	94.4%	5,077	5,067	99.8%
- Female	6	6	100%	4	4	100%

8. **(a). Details of training given to employees and workers on "Health and Safety Measures"**

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	2,965	3,254	110%	3,150	2,676	85%
Female	75	93	124%	90	79	88%
Total	**3,040**	**3,347**	**110%**	**3,240**	**2,755**	**85%**
Workers						
Male	12,667	12,667	100%	13,109	13,109	100%
Female	292	292	100%	321	321	100%
Total	**12,959**	**12,959**	**100%**	**13,430**	**13,430**	**100%**

Note : Employee headcount is considered as on date as per the guideline; however, the training coverage is on cumulative basis i.e., all employees trained during the reporting period (1st April 2022- 31st March 2023) as there is mandatory Induction safety training and job specific safety trainings for its all employees and workers.

(b). Details of training given to employees and workers on "Skill Upgradation"

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees*						
Male	2,965	2,728	92%	3,150	2,268	72%
Female	75	71	95%	90	68	75%
Total	**3,040**	**2,799**	**92%**	**3,240**	**2,336**	**72%**
Workers						
Male	12,667	7,600	60%	13,109	6,555	50%
Female	292	190	65%	321	177	55%
Total	**12,959**	**7,790**	**60%**	**13,430**	**6,732**	**50%**

Note : Only includes permanent employees, as no separate programmes for contract employees

9. Details of Performance and Career Development reviews of employees and workers:

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	2,827	2,714	96%	3,072	2,918	95%
Female	67	67	100%	80	80	100%
Total	**2,894**	**2,781**	**96%**	**3,152**	**2,998**	**95%**

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Workers						
Male	4,789	4,789	100%	5,077	5,077	100%
Female	6	6	100%	4	4	100%
Total	**4,795**	**4,795**	**100%**	**5,081**	**5,081**	**100%**

Note: We follow the Performance Year (Company Performance or Employee Performance cycle) as 1st April to 31st March (FY). Employees who join post 1st Jan are not considered for the Performance review for that year. This number only includes the total number of people who are eligible for performance reviews on our horizon platform plus Limda (Team Members).

10. Heath and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)

If "Yes", then coverage of the system.

At Apollo Tyres Ltd, the Occupational Health and Safety (OHS) Management System is implemented as per ISO 45001 Standard and plants are certified for ISO 45001 Standard

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?

The Company adopts various methods and processes to identify work-related hazards and risks, which are illustrated below:

- Hazard Identification and Risk Assessment (HIRA) Register covering routine and non-routine activities carried across departments.
- Job Safety Analysis on non-routine activity and development of method statement for non-routine activities.
- GEMBA, Switch ON, Safety Interactions, Hazard identification and Near Miss Reporting.
- And, carrying out Health and Safety Audits, both internally and externally on a periodic basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes.

- Hazard Identification and near-miss reporting process is available to enable workers to report on work-related hazards including near-misses, unsafe working conditions, and unsafe acts.
- Behaviour Based Safety (BBS)/ Safety Interaction (SI) program is available to enable workers to share work related hazards/ risks including unsafe working conditions and unsafe acts.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

Apollo Tyres provides non-occupational medical and health-care services to its employees and workers such as occupational health centre, ambulance, duty Doctor, and nursing staff being available at plant premises.

11. Details of safety related incidents, in the following format:

Safety Incidents/ Number	Category	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0.16
	Workers	0.60	0.79
Total recordable work-related injuries	Employees	2	2
	Workers	15	16
Number of fatalities	Employees	0	0
	Workers	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

In line with Company's health and safety mission "**achieving well-being with always and absolute safety**", the Company continuously strives to improve its safety performance and drive health and safety awareness among employees and workers.

To achieve it, Apollo Tyres Ltd has adopted various measures to ensure a safe and healthy workplace for all its stakeholders:

- Mandatory Induction safety training and job specific safety trainings is conducted for its all employees and workers, regularly.
- Identification of hazards and proactive reporting of near misses and unsafe conditions is encouraged among all employees and workers through Hazard and Near Miss reporting program and implementing actions to close the observations.
- Reinforcement of safe behaviours of employees and workers and counselling the at-risk behaviours through Behaviour Based Safety (BBS) Program/ Safety interaction programme (SI) and implementing actions to close the observations.
- Periodical safety audits reviewing workplace conditions and implementing remedial actions to further improve its safety measures, procedures, and reporting systems.
- Encouraging timely and effectively reporting and investigation of all incidents and implementing corrective and preventive actions, within a stipulated period.
- Hazard identification and risk assessment of all operations in the department
- Safety committee members reviews along with other stakeholders on a weekly and monthly basis to act and conform with local safety regulations, identify gaps, implement corrective actions, and evaluate the key performance lagging and leading indicators.
- Finally, health and safety are an integral part of the Risk Management projects which aids in strengthening risk controls in the Company.

13. Number of complaints on the following made by employees and workers:

Benefits	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessment for the Year (2022- 23):

	% of plants and offices that were assessed *(by entity or statutory authorities or third party)*
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risk/ concerns arising from assessment of health and safety practices and working conditions.

Apollo Tyres Ltd, acknowledges that timely identification of gaps and appropriate corrective action implementation is core for building a responsible and sustainable business. Following are few initiatives and actions taken to bridge the identified gaps during health and safety assessments:

a) Improvement of additional engineering controls / safety poka yokes (avoid unexpected surprises) based on Risk Management Projects.

b) Strengthening the safety training, standards, and SOPs with adequate health and safety instructions to ensure adequate risk awareness and safe behaviour.

c) Strengthening the BBS programs with improved quality of safety interactions with workers.

d) All safety related accidents are being investigated and learnings from investigation reports are shared across Company for deployment of corrective actions to mitigate recurrence of such incidents. Effectiveness of corrective actions deployment being checked during safety audits.

e) Roof lifeline system installations are in progress.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/ No). Provide detail.

Yes. Apollo Tyres Ltd has Life Insurance cover for all the employees and workers in tie-up with the Life Insurance Corporation (LIC) of India.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

At Apollo Tyres Ltd, driving business ethics, transparency, and accountability is core and we expect the same from our business partners. Some activities carried out by the Company to ensure business partner compliance with statutory and regulatory requirements are as follows:

- **GST dues in the Raw Material Billing to Apollo Tyres:** The GST paid to the Raw Material Value Chain Suppliers is being deposited with tax authorities of Govt of India. Once the Invoice data including GST details is uploaded by Apollo suppliers in the GST portal, the GST details appear in Form 2A which Apollo uses to take credit of the GST against the FG Sales.

- **PF and ESI payment by Labour contractors -** Apollo's plant accounts commercial teams are ensuring that before settling the dues to the labor contractors, that labor contractor has complied with the deposit of statutory dues e.g., PF, ESI for his employees on a continuous basis before settling the invoice payment.

For the RM Partners, further compliance with respect to other labor issues are addressed through the Apollo Supplier Code of Conduct deployment, and compliance in the RM Supply Chain:

a) **As a part of Apollo Tyres Sustainable Procurement Policy - ATSPP Section III, Labour Practice -** It is a requirement and expectation that compensation is paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits stipulated under local or international laws.

b) **As a part of Apollo Sustainable Natural Rubber Policy - ASNRP Section 1:** Labour and Human Rights - Support Decent Living Wages and Benefits: Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits stipulated under local or international laws.

c) **As a part of the periodic Apollo audit assessment of the suppliers -** The aspect of fair working practices for worker and employees is being assessed during the audit by Apollo audit team.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Indicate input material	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022- 23	FY 2021- 22
Employees	1	0	0	0
Workers	0	3	0	1

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Regular transition assistance program is provided with respect to wellness, financial planning, and counselling support. In addition, based on business requirement, fixed term work contract is extended to retiring employees, whenever required. Further, depending on business requirement, opportunity of being a business partner at Apollo Tyres Ltd is also extended to such employees.

5. Details on assessment of value chain partners (FY 2022-23):

	% of value chain partners *(by value of business done with such partners)* that were assessed
Health and Safety Practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

A special checkpoint is there in Apollo Tyres Ltd checklist for downgrading the supplier audit assessment score- check for the incidence of fatal accident at supplier end. No significant risks were identified from assessment of health and safety practices and working conditions of value chain partners during the assessment in FY 2022- 23.

Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the process for identifying key stakeholder groups of the entity.

Apollo Tyres Ltd, recognizes that the stakeholder is an essential part of business operation. Systematic identification of its stakeholders, understanding their concerns and involving them in managing risks, are important aspects to ensure sustainability of the business. The entire process is in accordance with Stakeholder Engagement Policy approved by the Board. The Company has identified and prioritised its key stakeholder groups: Customers, Supply Chain Partners, Community, NGOs, Government/Corporate partners, Investors etc.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/ No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Customers- OEM & Replacement *(Trucking community)*	Yes	a. One-to-one & one-to-group communication b. Social media engagement c. Awareness through IEC materials like posters, pamphlets, hoardings, foe behavior change d. Mid-media events (street-plays, game shows, etc.)	Daily and Monthly	**Scope of Engagement & key topics, concerns raised during each engagement:** The programme targets to provide health care solution to its stakeholders in form of healthcare centres. This is at their doorstep so that they can easily access it. To provide the healthcare services, the organisation has opened 32 Healthcare Centres in transshipment hubs, spanning across 19 Indian states. The programme engages with stakeholders through various mediums. i) <u>Awareness generation and filed visits:</u> Apollo Tyres Foundation staff -Outreach workers and Peer Volunteers (Dhaba owners, mechanics, barber etc. Local from the community, with whom truck drivers remains in constant contact) conducts the filed visits on regular basis. One to one and one to group awareness sessions on healthcare issues are organised with truck drivers and allied population. The staff also address the queries related to availing healthcare facilities through Apollo Tyres Healthcare Centres.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/ No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
				ii) Health Camps, OPDs and Mobile Medical Units: The Company engages with the stakeholder to provide the doorstep healthcare solutions. OPD service (through 32 healthcare centres), doctor consultation facility is organised. Periodic health camps are also organised at transshipment hubs for the maximum outreach. Through Mobile Medical Units also we engage with the trucking community. Mobile medical units provide doctor consultation and other healthcare services at highways, junctions and driver halt points. These services addresses the healthcare issues faced by the stakeholder. Other engagement includes sessions on health and safety awareness.
Community *(Women and children from the community around our manufacturing locations)*	Yes	a. SHG Meetings b. Village Development Committee Meeting c. Livelihood and Income Generation Trainings	Monthly and Quarterly	**Scope of Engagement & key topics, concerns raised during each engagement:** The livelihood Programme, Navya aims at providing livelihood opportunities to the rural women at their doorsteps. Women are trained in farm based and non-farm activities. Trained women are further linked with market and financial institution for sale and fund support. The programme engages with women stakeholders through various mediums. i) SHG Meetings are organized on monthly basis to bring women at a common platform and help them in developing the habit of savings. In SHG meetings mostly issues related to availability of loan, financial literacy, and livelihood options are raised and addressed. 2) Village Development Committee (VDC) Meeting in each village at Baroda is a representation of SHG leaders, Anganwadi workers, Panchayat members and ATF staff. VDCs meetings provides the transparency amongst the community member related to programme implementation, it also serves as a platform to resolve community issues with SHGs participation. 3) Livelihood and Income Generation Trainings: The programme provides the livelihood opportunity to the women at their doorsteps. Issues related to type of income generation activities, financial and technical support required for setting up the income generation units. 4) Environment, health, and safety engagement
NGO, Corporate Partners, and **Government** Bodies	No	Meetings	Quarterly and Six Monthly	**Purpose:** The Company work closely with the grass root level Organisation, local governments and corporate partners for the implementation of CSR projects and maximum outreach. **Scope of Engagement & key topics, concerns raised during each engagement:** With Government and Corporates the Company engages for exploring partnership opportunities. One of the key tasks under CSR function is to work in partnership for better beneficiary outreach. With Government departments lesioning is done for government linkages and technical and financial support for the projects. The Company identifies the corporates working on the same cause/issue and collaborates with them for technical and financial partnership model. Other engagement includes sessions on health and safety awareness.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/ No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Supply Chain partners	No	a. Meetings b. Field Visits	Quarterly and Six Monthly	**Purpose:** The Company engages with Supply Chain partners for sustainable supply chain initiatives. As a part of the Sustainable Natural Rubber procurement initiative the Company has initiated livelihood projects with the rubber dealers for rubber tapping community. **Scope of Engagement and Key Topics:** The Company ensures the well-being of its supply chain partner and engages with them for the healthcare awareness initiatives. Employees from the supply chain team conduct periodic awareness sessions with supply chain partners on the issues related HIV/ AIDS awareness, Substance abuse and TB awareness. Other engagement includes sessions on health and safety awareness.
Raw Material Suppliers	No	a. Physical visits b. Virtual meetings c. Emails d. Telephone calls e. Vendor Quality manuals f. Supplier engagement meets	Quarterly, Monthly, and Need Based	Engage with our RM suppliers on a regular basis through different channels on different aspects such as: - Procurement Negotiations and contracting, - Vendor Quality audits and assessments, - Sustainability, - Joint technical partnership, - Collaboration projects with Apollo suppliers Other engagement includes sessions on health and safety awareness.
Investor and Shareholder	No	Stock Exchange Filings, Annual Report, Annual General Meetings, Emails, Postal Ballots etc.	Periodic	Statutory Requirements
Employee and Workers	No	Newsletter, Training & Awareness sessions, FGDs, Townhall, e-mails, health-helpline, etc.	Ongoing & Need basis	Company undertakes various awareness initiatives across ESG themes, some of which are illustrated mentioned below: - Refresher Training on Code of Conduct - POSH and Human Rights awareness sessions - Apollo Learning - Environment, Health, and Safety Engagements
Consumers	No	Digital websites-product and BOFO website and social media	Daily	Product information

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company work towards minimizing the environmental, economic and social impacts to our business, in a compliant and responsible manner, by adopting sustainable procurement policies and practices. We strive to continuously enhance customer satisfaction by providing cost effective and quality materials on a timely basis, while working together with our stakeholders on ESG aspects to enable sustainable business practices.

To achieve the same, the Board provides the strategic oversight and has constituted a Business Responsibility and Sustainability Committee, inter alia, to provide guidance and monitor the ESG progress. The Company has diverse approach for stakeholder engagement. The Board is updated from time to time on various sustainability initiatives taken/to be undertaken by the Company. At Apollo Tyres Ltd, sustainability report reflecting the ESG initiatives under the review and guidance of the Board is available on the website and is circulated to the Shareholders as a part of the Annual Report.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (Yes/No)

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Apollo Tyres Ltd have diverse approach for stakeholder engagement which are detailed out for collecting stakeholder feedback and incorporating them into policies and activities of the Company:

1) **Stakeholder Committees and Groups:** Under each community development initiative stakeholder groups are formed for the continues feedback and local issues redressal.

- *Under Healthcare initiative*, stakeholder committee is formed, which has representation from transport unions, business owners from the transshipment hubs, and government representatives. On a quarterly basis stakeholder consultation meeting is organized and feedback is sought.
- *Under Livelihood project*, Village Development Committee (VDC) is formed and has member representation from Asha worker, teacher, Panchayat representative etc., and any issue related to beneficiary and/or village problem is discussed during the VDC meeting and through collective participation, VDC members try to address the issues of the community.
- *Under Solid Waste Management* initiative, steering committee is formed, which has representation of Panchayat members, schoolteachers, NGO workers at village level. The steering committee reviews the overall functioning of the project on a periodic level and provides feedback for program improvement.

2) **Field Assessments:** The Company engages with third party Organisation to undertake mid-line assessments of its projects and during the assessment focused stakeholder consultations are conducted to review the project delivery, outcome, and impact. Based on the stakeholder feedback and suggestions, mid-course-corrections are incorporated under the programme strategy and implementation.

3) **Beneficiary/ Representative feedback:** Apollo Tyres Ltd has developed a strategy to gauge beneficiary feedback of the programme and its services. A suggestion box/register is kept at all locations and beneficiaries are encouraged to provide their feedback. During programme monitoring visit, our staff tries to address their concerns; and ensure integration of suggestion in the programme, wherever and to whatever extent possible.

Illustration: The customers (*Truck Drivers*), suffers from vision issues and are vulnerable to road accidents. During the stakeholder consultation meetings same issue was highlighted by the Transport Unions and Association. The Company accepted the feedback and suggestions from the stakeholders and in the year 2015 Vision Care service was integrated in the healthcare initiative.

3. Provide detail of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Apollo Tyres' CSR program aims to enhance the livelihood opportunities of the marginalised and vulnerable communities and below highlights few instances of our action in this direction:

a). **Truck Drivers:** The Company is committed towards providing continues healthcare support to the customers. Limited access to healthcare facility and continuity in treatment are the major concerns faced by the trucking community. Through its healthcare centre the Company provides access to healthcare facilities at the doorsteps of the trucking community. Truck drivers who are identified as HIV positive, TB positive are linked with ART and DOTs treatment facility. *Example:* During the COVID time the Company ensured to arrange the medicines and nutrition support to the truck drivers identified with TB and ensured the continuity of the treatment.

b). **Rural Women:** Market linkage and access to finance are the major livelihood issues faced by the rural women; to address this challenge, the Company invests in financial literacy capacity building, financial and government linkages. For example, at Baroda, the Company has formed over 700 Self Help Groups (SHGs) and have provided income generation trainings to the underprivileged women. The Company has supported the women to form the Organic Farming Agri Women Cooperative and Marketing Society and these women have been trained on the organic farming practices and techniques. The Company has provided them the support for organic farming certification and as an outcome of these trainings over 400 women are engaged in organic farming activity and earning decent income from it. Over 7,000 women at Baroda location are linked with National Rural Livelihood Mission (NRLM) scheme of Government of India.

Principle 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	3,040	3,040	100%	3,240	3,240	100%
Other than permanent	91	91	100%	94	94	100%
Total Employees	**3,131**	**3,131**	**100%**	**3,334**	**3,334**	**100%**
Workers						
Permanent	4,795	4,795	100%	5,081	5,081	100%
Other than permanent	8,164	8,164	100%	8,349	8,349	100%
Total Workers	**12,959**	**12,959**	**100%**	**13,430**	**13,430**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Current Financial Year 2022- 23					Previous Financial Year 2021- 22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	**3,040**	**0**	**0%**	**3,040**	**100%**	**3,240**	**0**	**0%**	**3,240**	**100%**
- Male	2,965	0	0%	2,965	100%	3,150	0	0%	3,150	100%
- Female	75	0	0%	75	100%	90	0	0%	90	100%
Other than Permanent	**91**	**0**	**0%**	**91**	**100%**	**94**	**0**	**0%**	**94**	**100%**
- Male	72	0	0%	72	100%	66	0	0%	66	100%
- Female	19	0	0%	19	100%	28	0	0%	28	100%
Workers										
Permanent	**4,795**	**0**	**0%**	**4,795**	**100%**	**5,081**	**0**	**0%**	**5,081**	**100%**
- Male	4,789	0	0%	4,789	100%	5,077	0	0%	5,077	100%
- Female	6	0	0%	6	100%	4	0	0%	4	100%
Other than Permanent	**8,164**	**2,278**	**28%**	**5,887**	**72%**	**8,349**	**2,595**	**31%**	**5,755**	**69%**
- Male	7,878	2,206	28%	5,672	72%	8,032	2,490	31%	5,542	69%
- Female	286	72	25%	215	75%	317	105	31%	213	69%

3. Details of remuneration/ salary/ wages, in the following format (Amount in ₹ lakhs per annum):

	Male		Female	
	Number	Median salary/ wage of respective category	Number	Median salary/ wage of respective category
Board of Directors (BoD)	11	3134.5	2	113.9
Key Managerial Personnel (KMP)*	3	4732.8	1	102.1
Employees other than BoD and KMP	2965	9.2	75	16.5
Workers	4789	7.2	6	2.7

* Includes Managing Director (MD) and Whole-time Director

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Apollo Tyres Ltd has identified Mr. Dipankar Ghosh - Group Head Human Resources, Asia-Pacific Middle East, and Africa (APMEA) and Ms. Ruchika Pal, Group Head- Corporate HR, Apollo Tyres Ltd as the Nodal person responsible for addressing any concerns/ issues related to human rights in the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Apollo Tyres Ltd, there is a well-established mechanism available for all cadres of employees and workers to raise and redress their grievances. The concerns can be raised in the following manner, via:

- Line Manager
- The HR Business Partner (HRBP) for business area/ region

In addition, if somebody wants to report a concern maintaining confidentiality, he can put that in writing to an exclusive email ID: coc.report@apollotyres.com

The raised concern/ issue is thoroughly investigated and depending on the assessment of the concern/ issue, appropriate action is taken.

6. Number of complaints on the following made by employees and workers:

	Current Financial Year 2022- 23			Previous Financial Year 2021- 22		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Apollo Tyres values the diversity of the people with whom it works and the unique contribution they make. The Company have a long-standing commitment to equal opportunities and intolerance of discrimination and harassment.

The Process of Complaint registration upholds the below values.

- When complainant register or report breach of the code of conduct; the Company

  1) Protect their rights, 2) Ensure support through transparent process, 3) Uphold confidentiality

The Steps to register the complaint.

- The complainant may raise informal concern by telephone, in person or in writing to their line manager or HR Business Partner (HRBP). If, exceptionally, the concern is more serious, the complainant can put the complaint in writing, via email to: coc.report@apollotyres.com

The role of HRBP

The HRBP ensures to maintain confidentiality, Listen to the complaint in an empathetic way, provide any policy clarification required, provide options to find a comfortable way forward and provide requisite recommendations to report directly at prescribed email ID.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human Rights requirements form an integral part of Apollo Tyres' business agreements because of the following:

- The **Supplier Code of Conduct** is aligned with the ISO20400:2017 standard on Sustainable Procurement and the guiding principles defined therein. In addition, the guidelines for deployment in the Apollo supply chain are based on the framework of 7 core subjects and 37 sustainability issues, which includes **"Human Rights"** as one of the 7 core subjects.
- Apollo is a member of the GPSNR (Global Platform for Sustainable Natural Rubber), which drives sustainability with all the stakeholders in the Natural Rubber Supply Chain. The Natural Rubber supply chain requirements are aligned with the Policy framework and guidelines from the GPSNR, which includes **"Human Rights"** as one of the sections.
- The Supplier Code of Conduct is a part of minimum requirement at the time of selection and onboarding of new suppliers, and it is to be treated in conjunction with the terms and conditions of the commercial procurement contracts and would be applicable if an active procurement relationship exists between Apollo Tyres Ltd and supplier partner.

9. Assessment for the FY 2022-23:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	40%
Forced/ Involuntary Labour	Nil
Sexual harassment	40%
Discrimination at workplace	40%
Wages	40%
Other Labor law compliances	40%

Note: 2 out of 5 plants assessed.

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 9, above.

In the FY 2022- 23, no significant risk was found during the assessments.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.

Nil

2. Details of the scope and coverage of any Human Rights due-diligence conducted.

During FY 2022- 23, no human rights due-diligence was carried out.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

At Apollo Tyres, we value diversity of people with whom we work and commit to equal opportunity and intolerance of discrimination and harassment. Apollo Tyres 'Equal Opportunity Policy' is in line with the statutory compliance as stipulated under "The Rights of Persons with Disabilities

Act, 2016 and Rules, 2017". The Company ensures to provide support and facilities for the wellbeing of its employees, including those with special needs to effectively discharge their duties in the Company.

4. Details on assessment of Value Chain Partners:

	% of value chain partners *(by value of business done with such partners)* that were assessed:
Child Labour	100%
Forced/ Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

Note: Apollo Tyres have a Supplier Audit System where the suppliers are audited on a periodic basis based on defined audit criteria and frequency. As a part of the audit checklist, we assess our suppliers on requirements pertaining to Child Labor, Forced Labor/ Involuntary Labor, Sexual Harassment, Discrimination at workplace, and Wages, and others.

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Qs. 4 above.

Apollo Tyres Ltd has a well-defined supplier audit system and a standard supplier audit checklist covering all aspects of health, safety, environment, and human rights. Based on the supplier audits conducted for the reporting period, there are no significant risks / concerns observed. Hence Not applicable.

Principle 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Total Electricity Consumption (A) **GJ**	1,849,597	1,855,605
Total Fuel Consumption (B) **GJ**	3,443,786	3,514,845
Energy consumption through Other Sources (C) **GJ**	985,695	1,087,213
Total Energy Consumption (A+B+C) GJ	**6,279,078**	**6,457,663**
Energy intensity per rupee of turnover (GJ/₹ Lakhs) (Total energy consumption/turnover in rupees)	3.71	4.51
Energy intensity (GJ/Tonne of products)	10.55	11.23

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. **Yes, by TUV India Pvt Ltd**

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No)

If "Yes", disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. None of our manufacturing facilities are Designated Consumer under (PAT), Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Water withdrawal by source (in kilo-litres)		
(i) Surface Water	1,623,129	1,829,885
(ii) Groundwater	14,674	-
(iii) Third Party Water	404,368	403,183
(iv)Seawater/ Desalinated water	-	-
(v) Others	23,573	
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	**2,065,744**	**2,233,068**
Total volume of water consumption (in KL)	**2,065,744**	**2,233,068**
Water intensity per rupee of turnover (Kl/₹ Lakh) (water consumed/ turnover)	1.22	1.56
Water intensity (m3/MT of product)	3.47	3.88

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. **Yes, by Bureau Veritas (India) Pvt Ltd**.

4. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If "Yes", provide details of its coverage and implementation.

At all Apollo Tyres Ltd manufacturing facilities, all the process/Domestic wastewater is treated through either effluent treatment plants (ETP) / Sewage Treatment Plant (STP) followed by tertiary treatment , as per requirements or applicable norms which is reused in the system.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
NOx	mg/Nm3	65.78	60.89
SOx	mg/Nm3	45.00	45.38
Particulate Matter (PM)	mg/Nm3	66.24	79.86
Persistent organic pollutant (POP)	mg/Nm3	57.00	59.86
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. - **NO**

6. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Please specify unit	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	292,368	331,220
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	303,089	360,127
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2 eq/ ₹ Lakh	0.353	0.483
Total Scope 1 and Scope 2 emission intensity	tCO_2 eq/MT of product	1.00	1.20

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. **Yes, by TUV India Pvt Ltd**

7. Does the entity have any project related to reducing Greenhouse gas emissions?

If "Yes", then provide details.

There is a climate change strategy in the organisation, where an Environment Working Group (EWG) is formed. The EWG has representation from Apollo world operations. The remit of the group is to comply with upcoming legislations, and most importantly to identify solutions to reduce emissions. EWG has identified 3 areas,

1) **Increase in green fuels –** The Company has started to move away from fossil fuel use to biofuel and Andhra Pradesh facility in India is already running completely on biomass. Similar opportunity is under investigation for others manufacturing locations also.

2) **Increase in RE mix –** the organisation's investment in solar, hybrid capacity to move away from the use of grid energy. In FY23, approximately 16% of its power requirement in the reporting period were met by renewable sources. The Chennai plant has guaranteed a supply of 40 million units of through its investment in solar power. The Company has also invested in Solar Power 9.3 MW in its Hungary plant and Hybrid power of 5 MW capacity for its Limda Plant, Gujarat, India.

3) **Improve energy efficiency -** The Company has been making efforts to achieve energy efficiency through improvements in its process design, conversion & retrofitting of equipment and use of energy-efficient equipment. Which has resulted nearly 74 thousand GJ of energy savings in FY23.

8. Provide details related to waste management by the entity, in the following format:

Parameter	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	1,449	1,405
E-Waste (B)	60	90
Bio-medical Waste (C)	0.12	0.35
Construction and Demolition Waste (C&D) (D)	0	15
Battery Waste (E)	20	43
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	877	766
Other Non-Hazardous Waste generated (H) (Please specify, if any)	24,883	25,550
Total Waste Generated (A+B+C+D+E+F+G+H)	**27,289**	**27,487**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste Name:		
(i) Recycled	25,764	26,173
(ii) Re-used	995	1,314
(iii)Other recovery operations	4	0
Total	**26,763**	**27,487**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste Name:		
(i) Incineration	175	178
(ii) Landfilling	351	184
(iii) Other disposal operations	0	19
Total	**526**	**381**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Apollo Tyres Ltd has adopted various measures for managing the waste generated during business operations which is explained below:

- 4Rs (Recycle, Reuse, Reduce, Recover) is the strategy adopted towards reduction of waste and reduce usage of hazardous and toxic chemicals in products and processes.

- All waste generated is collected and stored in designated locations in Value yard and is disposed-off as per applicable regulatory requirements. The quantity of waste generated and disposed of is monitored and records are maintained. This data is reviewed periodically, and waste reduction activities initiated are monitored.

10. If the entity has operations/ offices in & around ecologically sensitive areas *(such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.)* where environmental approvals/ clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
None of Apollo Tyres Ltd manufacturing units nor offices are in and/or around ecologically sensitive areas where environmental approvals/ clearance is required or mandatory.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2022- 23

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web-link
Environmental Impact Assessment (EIA) of projects has not been undertaken by us based on applicable law in FY 2022- 23.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/ No).

If "Not", provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken, if any
Apollo Tyres Ltd's all manufacturing facility are compliant with applicable laws, regulations, and guidelines in India.				

Leadership Indicators

1. Provide break up of the total energy consumed (in Joules or multiples) from Renewable Energy and Non-Renewable sources, in the following format:

Parameter	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
From Renewable Sources		
Total electricity consumption (A) GJ	323,556	214,520
Total fuel consumption (B) GJ	329,079	46,348
Energy consumption through other sources (C) GJ	-	-
Total energy consumed from renewable sources (A+B+C) GJ	**652,635**	**260,868**
From Non-Renewable Sources		
Total electricity consumption (D) GJ	1,526,041	1,641,086
Total fuel consumption (E) GJ	3,114,706	3,468,497
Energy consumption through other sources (F) GJ	985,695	1,087,213
Total energy consumed from renewable sources (D+E+F) GJ	**5,626,443**	**6,196,795**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. **Yes, by TUV India Pvt Ltd.**

2. Provide the following details related to water discharge:

At all Apollo Tyres Ltd manufacturing facilities, all the process/Domestic wastewater is treated through either effluent treatment plants (ETP) / Sewage Treatment Plant (STP) followed by tertiary treatment , as per requirements or applicable norms which is reused in the system.

3. Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo litres):

For each facility/ plant located in areas of water stress, provide the following information:

i. Name of area

ii. Nature of operations

iii. Water withdrawal, consumption, and discharge in the following format

None of Apollo Tyres Ltd manufacturing facility operates in area of 'water stress' region, therefore this question is not applicable.

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Please specify unit	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Total Scope 3 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	162,351	148,012
Total Scope 3 emissions per rupee of turnover	tCO_2 eq/₹ LAKH	**0.10**	**0.10**
Total Scope 3 emission intensity (optional)- the relevant metric may be selected by the entity	tCO_2 eq/MT of product	0.27	0.26

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If "Yes", name the external agency. **Yes, by TUV India Pvt Ltd**

5. With respect to the ecologically sensitive areas reported in Qs. 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

None, of our manufacturing site nor office premises are in and/or around ecological sensitive areas where environmental approvals/ clearances are required, hence it is not applicable to us.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1	Recycling treated effluents	Recycling of treated process effluent from ETP through Ultra Filtration (UF) & Reverse Osmosis.	Water Conservation
2	Multiple Effect Evaporator	Treatment of the reject effluent from Effluent Treatment Plant (ETP)	Zero liquid discharge plant
3	Water Conservation initiative	1. Increased reuse of rainwater into process. 2. Recycling of treated process effluent from ETP through Ultra Filtration (UF) & Reverse Osmosis 3. Treatment of STP outlet water with Ultra filtration and use it for toilet flushing	Reduction in freshwater withdrawal and increased of recycled water in the plant operation. The total recycled water used in FY23 is approximate 43%.
4	Energy conservation initiative	Energy conservation through process redesign, conversion & retrofitting of equipment and use energy efficient appliances.	Total Energy Saved in FY23 is nearly 74 thousand GJ, and GHG avoidance through energy saving was 10,547 tCO_2.
5	Recovery/ Reclamation	Reclamation of hydraulic oil through oil filtration process	Oil waste reduction
6	3 Diesel forklifts replaced with Electric forklifts	2 Nos of Diesel forklift of banbury and 1 no at RMS replaced with electric forklifts	Emission reduction

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.

The Company has also put in place a robust risk management framework that identifies and evaluates business risks and opportunities. The Company's risk management processes ensure that these risks are promptly identified, and an appropriate mitigation action plan is developed and monitored periodically to drive sustainable growth.

Emergency Management plan is available in all Apollo Tyres Ltd plants and the plan is developed considering various emergency scenarios pertaining to operations (e.g., Fire etc.) and Natural calamities (e.g., Earthquake etc.). Dedicated teams have been identified and people are periodically trained with respect to the Emergency plan. The Emergency Plan is tested and reviewed periodically; Emergency mock drills are conducted regularly for the same.

Business Continuity Plan

The purpose of this plan is to recover the Information Technology (IT) systems at an alternative location and to provide user access to them within a response time objective of 48 hours. The procedures set out in this document should be used only as guidance when responding to an incident and responsibility of response. It ensures that business operations can continue in limited form until IT systems are restored and information security controls always remain in place to protect classified information.

Apollo firmly believes in setting up processes and plans in place to enable the Company to continue the delivery of products or services at acceptable levels following a disruptive incident. Apollo has set up process of creating systems of prevention and recovery to deal with potential threats to the Company. In addition to prevention, the goal is to enable ongoing operations before and during execution of disaster recovery. Business Continuity Plans and procedures are periodically tested based on contingency test plan and audited periodically by internal and external audit agencies.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Apollo Tyres is a member of Global Platform for Sustainable Natural Rubber (GPSNR), which is formed by Tyre Industry Project under World Business Council for Sustainable Development (WBCSD) and aims to work towards sustainable natural rubber by focusing on Socio-Economic, Environment, and Governance issues in natural rubber supply chain.

To mitigate adverse impacts to environment, Apollo Tyres Ltd has rolled out its Sustainable Natural Rubber Policy, Apollo Sustainable Natural Rubber policy (ASNRP), which is built around GPSNR Policy framework and includes policy commitments towards risk identification and mitigation of adverse impacts to environment, biodiversity such as deforestation, preventing degradation of High Conservation Value and High Carbon Stock areas. ASNRP has been shared with all our natural rubber supplier partners and obtained acceptance on it.

Furthermore, Apollo Tyres Ltd conducted a virtual sustainability workshop for its global supplier partners in 2022 to share its requirements and expectations for the upstream supply chain and sought commitment from our global supplier partners towards use of non-fossil based fuels in operation, use of renewable energy in operation to lower carbon emission, practice sustainable consumption, ensure resource conservation, ensure water efficiency, optimize operations, set ambitions to lower carbon emissions, minimize waste in the manufacturing process, and to become responsible towards environment and society.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100% of our suppliers are assessed for environmental impacts during the periodic audits as per pre-defined and standard audit checklist, an audit criteria and frequency standard. Our supplier audit questionnaire comprises of Health, Safety, and Environment (HSE) section, wherein requirements pertaining to environmental management systems are also being verified. Waste management process such as initiatives to reduce, re-use and re-cycle the waste generated from the operations, system for waste collection, segregation, and disposal across the plant including the office premises are also verified for supplier's manufacturing plant, which helps in minimizing impact to environment.

Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. **(a). Number of affiliations with trade and industry chambers/ associations.**

   5

   (b). List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) the entity is member of/ affiliated to.

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Confederation of Indian Industry [CII]	National
2.	Federation of Indian Chamber of Commerce and Industry [FICCI]	National
3.	PHD Chamber of Commerce and Industry	National
4.	Society of Indian Automobile Manufacturers	National
5.	Automotive Tyre Manufacturers' Association	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the Case	Corrective action taken
Competition Commission of India (CCI)	The Competition Commission of India (CCI) issued an order on February 2, 2022 mentioning that it has held five tyre manufacturers and Automotive Tyre Manufactures Association (ATMA) guilty of contravention of the provisions of Section 3 of the Competition Act, 2002 and imposed a penalty of ₹ 425.53 Crores on the Company. The Company filed an appeal against the aforesaid order before the National Company Law Appellate Tribunal, New Delhi ("NCLAT"). The NCLAT through its judgement dated December 1, 2022 disposed off the appeals by remanding back the case to CCI for review.	We had appealed against the judgement of CCI in NCLAT, which has remanded back the case to CCI for fresh adjudication. CCI has filed an appeal in the supreme court against the Order passed by the NCLAT. Hearing to consider admission of appeal is likely to come after September 2023.

Principle 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2022- 23:**

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web-link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

At Apollo Tyres Ltd, the Company has developed a robust community engagement mechanism for grievance redressal and programme improvement under its Corporate Social Responsibility (CSR) initiatives. Details of community engagement plan are given below:

a. **Field Visits:** Physical field visit plays an important role in assessing the real time progress of any project. The local team visits the field programme on a weekly basis and ensures that all the deliverables are met as per the plan. The team individually meets the stakeholder to know whether they have received the benefits of the programme or not. During the field visit ATF representatives engage with the community on a one-to-one basis by conducting meetings, interactions etc.

b. **Involvement of Community Resource Person (CRP):** Include or engage local beneficiaries to implement the programme as they have a strong local connection with the community. For instance, Peer Educators (PEs) deliver awareness sessions at the Transhipment Hub. Community Resource Person (CRPs), where in each village one woman from the SHG is identified and trained on documentation and programme monitoring. CRP and PEs are the face of the community, they help in resolving the issues with active community participation.

c. **Formation of Village Development Committee (VDC):** Community plays an important role in the success of any community initiatives. The programme has developed a process of regular stakeholder dialogue, consultation, and feedback through SHG and Village Development Committee (VDC) meetings. This also ensures that stakeholder's feedback is captured and the same is implemented. Remedial measures are arrived at through these forums to resolve the issues and enhance stakeholder participation.

d. **Midline and Impact Assessment:** To evaluate the overall performance of the project midline assessment is conducted at 3rd year of the implementation of project and impact assessment study is conducted after completion of 5 years. Focused Group Discussions are conducted with the different stakeholder groups to identify and problem and improvement areas. Based on the community recommendation and study findings mid-course correction is conducted.

We ensure by following above steps to address the grievance of the community and provide solution to the problem; however, no grievance was reported by the community in the reporting period related to our CSR activities.

4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	Current Financial Year 2022- 23	Previous Financial Year 2021- 22
Directly sourced from MSMEs/ Small producers	5.37%	6.93%
Sourced directly from within the district and neighboring districts	39.25%	30.57%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 1 of Essential Indicators, above).

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in ₹)
1.	Gujarat	Dahod	Total Budget: ₹ 2,300,000 Actual expense FY23: ₹ 2,300,000
2.	West Bengal (Farakka Healthcare Centre)	Murshidabad	Total Budget: ₹ 857,750 Actual expense FY23: ₹ 781,381

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

Apollo Tyres are encouraging and enabling its supply chain partners to run centers i.e., 11 centers for Natural Rubber (sheet rubber) grading, currently over 50% of the workforce in these grading centers are women. The procured raw rubbers are processed manually for improvement and inspection purposes to ensure the right quality for the product.

(b) From which marginalized/ vulnerable groups do you procure?

The Natural Rubber grading centres have employed women for grading of sheet rubber, from neighboring areas which provides them with employment opportunity and skill development prospects.

(c) What percentage of total procurement (by value) does it constitute?

In the FY 2022-23, sourcing from these grading centres accounted for 5% of the total procurement.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity *(in the current financial year 2022- 23)*, based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1.	**Healthcare for Trucking Community:** A nomadic lifestyle and limited access to Healthcare facilities leaves truck drivers vulnerable to various healthcare issues. This is the reason it chose the trucking community as its target beneficiaries (they are also our key customers). The Company has established 32 Healthcare Centres in transhipment hubs spanning 19 Indian states, providing healthcare facilities at the doorsteps of this community. The programme provides healthcare services such as prevention and awareness of HIV-AIDS, Vision Care, Awareness on Integration of Tuberculosis and other Known-Communicable diseases such as Diabetes, High Blood Pressure and General Treatment facility, COVID testing and Vaccination support.	1,100,867	100%

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
	Key Services: **1. HIV-AIDS Awareness and Prevention** The service provided under HIV Awareness and Prevention includes Behaviour Change Communication (BCC), Sexually Transmitted Infection (STI) Diagnosis and Treatment, Counselling, Condom Promotion, Integrated Counselling Testing Centre (ICTC) support and Awareness through Peer Educators (volunteers). Peer Educators (PE) or volunteers play an important role in awareness creation and beneficiary referrals to healthcare centres due to their local connect. So far, the programme has mobilized nearly 1021 active PEs across its locations. **2. Vision Care** Vision impairment is one of the most common yet most neglected issues among the trucking community. Apollo Tyres has partnered with Essilor India Pvt Ltd under its 2.5 New Vision Generation initiative to provide regular and affordable vision check-ups for the trucking community Periodic eye check-up camps, spectacles distribution to the affected and cataract treatment to linked government hospitals are also facilitated at transshipment hubs. **3. Awareness on Tuberculosis (TB)** ATF embarked on TB awareness initiative in 2017 for its trucking community, given it is co-infection with HIV. ATF established 13 Designated Microscopy Centres at transshipment hubs with the support of the Government of India to bring TB testing and treatment facilities to the doorsteps of its beneficiaries. Positive TB patients were linked with Directly Observed Treatment (DOTs) services for treatment. ATF partnered with The Union, USAID and Central TB Division for the implementation of this initiative. **4. Other Non-Communicable Disease (NCDs)** Diabetes and high blood pressure have been emerging as serious health issues among the trucking community. The Company offers diabetes and blood pressure testing facilities to the beneficiaries, which has resulted in early detection and proper treatment. **5. Mobile Medical Units (Apollo Tyres Healthcare Express)** In extension to its static Healthcare Centres, mobile alternatives continued to be provided to enhance the connectivity of trucking community. Mobile medical units (Apollo Healthcare Express) provide its services at highways, district borders and trucking halt points. The mobile medical units are currently operational at Delhi, Namakkal (Tamil Nadu), Cuttack (Odisha) and Chhindwara (Madhya Pradesh). The Company also organises regular health camps (Sakushal Saarthi) for the benefit of the employees of its fleet owners. **6. Oral Hygiene** High addiction to tobacco (smoking and chewing) and poor oral hygiene is a major health risk, among truck drivers. Apollo Tyres began the oral hygiene services in FY20 with dedicated initiatives to spread awareness and encourage oral care.		

<table>
<tr><th>S. No.</th><th>CSR Project</th><th>No. of persons benefited from CSR Projects</th><th>% Beneficiaries from vulnerable & marginalized groups</th></tr>
<tr><td>2.</td><td>Solid Waste Management & Sanitation

Aligning with National development agenda and contributing to 'Swachh Bharat Abhiyan', Apollo Tyres has been running various projects on solid waste management and safe sanitation under the umbrella of SPARSH, with the objective to promote a healthy and sustainable lifestyle amongst the local communities. 'Clean My Transport Nagar', 'Clean My Village', 'Sanitation Management' and 'End of Life Tyre Playgrounds' are four initiatives initiated under this theme.

SPARSH stands for S – Segregate Waste; P – Practise Composting; A – Awareness Generation; R – Reduce, Reuse & Recycle; S – Safe Sanitation; H – Hygiene for All.

Key Services:

1. Clean My Transport Nagar (CMTN)

Devised to cater to the stakeholders in transshipment hubs, the CMTN programme is aimed at improving waste management and cleanliness in these areas. 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 under this initiative.

2. Clean My Village (CMV)

Clean my Village is a similar initiative to CMTN, designed to benefit communities around our manufacturing locations. Waste management best practices are introduced and ingrained into everyday lives through systematized programmes of education and hands-on training. As a result, there has been visible enhancement, both in the environment and the health of individuals.

3. Sanitation Management

Apollo Tyres believes that hygiene and sanitation is a basic right of every individual and imperative for a healthy environment as well. To meet this cause, the Company has undertaken several sanitation managements projects in line with the Clean India campaign. The project has greatly helped communities, especially around our manufacturing locations. The Company has constructed toilet cum bathing spaces for underprivileged communities around the Chennai manufacturing plant and community toilets in transshipment hubs at the Delhi and Agra locations.

4. End of Life Tyres Playground (ELT)

At Apollo Tyres, we constantly look for methods and processes that help in greening the product life cycle. Recycling used tyres is a critical part of this strategy. The End-of-Life Tyres Playgrounds (ELT) is one such application where the Company converts waste tyres into exciting play structures. This initiative has helped introduce kids to the concept of recycling.</td><td>1,07,150

CMTN- 8,924

CMV- 93,513

Sanitation- 2,642

ELT- 2,071</td><td>100%</td></tr>
<tr><td>3.</td><td>Livelihood for Rural Women

Navya, the Company's flagship endeavor, is an attempt to empower underprivileged rural women economically, socially, and emotionally. It supports their livelihood needs by providing them with income generation opportunities at their doorstep. The programme also undertakes several initiatives to mitigate gender discrimination and educate on gender rights.</td><td>1,579</td><td>100%</td></tr>
</table>

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
	Key Activities: **1. Self-Help Group (SHG)** A powerful tool for women's empowerment, SHGs, bring women together. Through Navya, Apollo Tyres undertakes a two-pronged approach towards SHGs by strengthening the existing ones and creating new ones. SHGs inculcates the habit of savings among beneficiaries. Women receives training in financial literacy, book-keeping, documentation and others. Additionally, women are also taught to deal with social issues like domestic violence and gender rights, among others. **2. Livelihood Training and Income Generation** Skill development and training is provided to build earning capacity, enhance economic independence and create livelihood sources. The training includes farm-based and non-farm-based activities. Livestock care and management training is also provided to help widen the scope of income generation. **3. Linkages with Government Schemes and Markets** Programme Navya not only provides livelihood opportunities to rural women but also links them to various government-run schemes and relevant markets to cause a multiplier effect in improving their socio-economic status. While the government schemes provide financial aid, the liaison with markets and service sector helps drive entrepreneurship.		
4.	**Biodiversity Conservation:** a global initiative for Apollo Tyres, wherein projects are undertaken in India, Hungary and Netherlands. In India, Mangrove conservation is a key initiative, wherein a Mangrove Conservation project is being implemented in Kannur district, Kerala. Under this initiative awareness sessions are conducted for the local community for mangrove conservation. For mangrove restoration and conservation periodic plantation activities are conducted in different panchayats of Kannur district. Climate change poses a fundamental threat to the places, species and people's livelihoods. To address the issue of climate change mitigation afforestation projects are initiated at *Tamil Nadu and Gujarat locations.* The project also engages with the farmers for providing agriculture interventions for soil productivity enhancement. Under the afforestation initiative, at Tamil Nadu 3.5 lakh teak trees are being maintained. At Gujarat location, under Miyawaki project total 10,000 planted trees are maintained.	56,577	100%
5.	**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. **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 14 ponds, covering area of 3 lakh square feet have been restored by the organisation through pond deepening, desilting, bunding and maintenance activity.	38,058	100%

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
	At Baroda location, the organisation also supports government's pond deepening initiative under Sujalam 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 lakes, ponds, check-dams and rivers by removing silt through public participation utilizing the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).		
6.	**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.	5	100%

Principle 9 Business should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Apollo Tyres Ltd has a well-defined and robust mechanism to receive and respond to consumer complaints in a timely, effective, and transparent manner. The mechanism is elaborated in the following steps:

- Customer can raise their complaint using various channels such as Customer Care number: 1800-212-7070, Apollo Samadhan Application, directly approach to all our Apollo Offices, or via social media and website.
- Customer upon any complaint occurrence in the product, can call apollo customer Care or can approach any of ATL authorized business partner or can approach directly to Apollo's area business units for registering complaint and get resolution within 2 to 4 days depending on the product category.
- Customer will receive relevant ticket number as reference if registered at call center or business partner and receipt number with document in case of registering at Apollo's area business units.
- After registering the complaint, customer tyre will be inspected by our authorized inspector and will be given inspection document or award letter with reason for failure whatever whether its manufacturing or operational.
- Post the complaint resolution process is over, a call from apollo customer care will go to customer for collecting feedback on the resolution satisfaction.

Social Media and Website: Whosoever comments or reaches out, the details are sent to the Customer Service team which further responds and closes requests.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

	As percentage to total turnover
Environmental and social parameters relevant to the product	All necessary information as per regulatory requirements are disclosed on all our products.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	Current Financial Year 2022- 23		Remarks	Previous Financial Year 2021- 22		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Customer Complaints	614,061	710	-	571,504	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	0	NA
Forced Recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No).

If available, provide a web-link of the policy.

At Apollo Tyres Ltd, a risk management Charter and Policy is available that outlines the Company's approach for efficient, effective, and demonstrable Risk Management. The document can be accessed in the link below:

https://corporate.apollotyres.com/content/dam/orbit/apollo-corporate/investors/corporate-governance/codes-policies/codes-policies/Risk%20Management%20Charter%20and%20Policy.pdf

The elements of risks identified include cyber security for which a framework for assessing external and internal risks is required. For fulfilling this requirement, the Company has formulated a Data Protection Policy, hosted on the Company Intranet. The excerpt of the policy is mentioned below:

Introduction

The purpose of the Personal Data Protection Policy (referred to as the "Policy") is to protect Personal Data of employees, contractors, vendors, interns, associates, customers, business partners and any third party related to Apollo Tyres Limited or any of its subsidiaries, affiliates, joint venture companies and associates [including its European entities] (collectively referred to as the "ATL") as per the requisite Data Protection laws and regulations applicable to ATL.

This Policy also aims to highlight the principles of data protection on the basis of which the Personally Identifiable Information ("PII") and Sensitive Personally Identifiable Information ("SPII") of employees, vendors/ distributors, contractors, customers, third parties, or business partners whose Personal Data is collected, stored, controlled and/ or processed by ATL is protected. Both PII and SPII are collectively referred to as Personal Data in the document. The Policy acts as an umbrella policy which details steps taken by ATL to protect Personal Data in terms of having relevant polices and processes or setting procedures to adhere to data privacy laws to secure and protect Personal Data of Data Subjects. Further, how Personal Data are handled, controlled, and processed in compliance with the applicable Data Protection laws is also covered by this Policy.

Scope and Coverage

This Policy applies to all ATL employees, vendors/ distributors, contractors, interns, customers, individuals, or business partners who receive Personal Data from ATL, who have access to Personal Data collected or processed by ATL, or who provide Personal Data to ATL, regardless of geographic location. All partner firms and any Third-Party working with or for ATL, and who have or may have access to Personal Data, will be expected to have read, understand, and comply with this Policy. No Third Party may access Personal Data held by ATL without having first entered into a confidentiality and data privacy and protection agreement.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security and data privacy of customers; re-occurrence of instances of product recalls, penalty/ action taken by regulatory authorities on safety of products/ services.

Not Applicable.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)

Apollo Tyres Ltd disseminates product and service information through various channels, which are illustrated below:

- Website: www.apollotyres.com
- Apollo Customer Care - 1800-212-7070

Other Channels:

- https://shop.apollotyres.com/
- https://www.apollotyres.com/en-in/
- https://www.facebook.com/ApolloTyresLtd/
- https://twitter.com/apollotyres
- https://www.youtube.com/channel/UCQ89n-QykQLTzw69wxZQSzg
- https://www.instagram.com/apollotyresltd/
- https://www.linkedin.com/Company/apollo-tyres-ltd./myCompany/verification/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Apollo Tyres Ltd recognizes its responsibility to care for its customers and the Company is committed to provide high and consistent levels of service to its customers. The Company believes that its customers and whom it serves is central to everything it does, to do so it ensures to disseminate appropriate information and communication to its customers, such as:

- Customer engagement activities where customers are educated and informed about product and its application to fit and tyre care maintenance.
- Training programs to OE Service Team and OE Franchisees to further deliver educational information on product and its application to fit and tyre care maintenance.
- Posts on social media, blogs on our websites, and videos on our YouTube Channel.

3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Not Applicable

4. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable).

If "Yes", provide details in brief.

Did your entity carry out any survey with regard to customer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No).

At Apollo Tyres Ltd, for product services, customer feedback provided during the customer resolution satisfaction survey on the quality of service from our Apollo customer care is taken into consideration.

5. Provide the following information relating to data breaches:

(a). Number of instances of data breaches along-with impact:

Nil

(b). Percentage of data breaches involving personally identifiable information of customers.

Nil.

Annexure IV

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: 50001:2018) across Apollo plants, which helped to improve & sustain energy performance of the organisation.

The energy saving projects (energy consumption reduction, improving utility generation efficiency, heat recovery projects, adopting alternate methodology and automated processes) identified in the process of practicing ISO: 50001 are implemented in plants.

Internal and external Energy audits are conducted to improve the energy performance.

In order to bring in more enhanced attention towards energy saving, a focused interplant group of energy managers identify new energy improvement opportunities in utility system.

Energy Projects & Activities strengthened up:-

- Forward planning for optimized usage of energy sources (direct & indirect) to control cost is an ongoing YOY exercise.
- Implementation of SCADA system to monitor, analyse & control process side-specific energy consumption.
- Digitization being initiated to monitor the energy performance by creating a real-time on line dash board for energy-consuming user and senior management for taking timely corrective actions.
- Horizontally deployed identified energy-saving projects for improving groups energy footprints.
- Training provided on regular basis to employees to enhance their awareness about energy conservation and improve their skills.
- Management conducts focused energy performance and efficiency comparison review meetings.

Another new initiative is usage of Data science to improve the productivity from Equipment which in turn help to reduce the Energy consumption and improve our carbon footprint. We believe machines are talking and need to listen so on those line started streaming data from highly energy intensive machine's like Mixers to AWS cloud. Multiple projects were identified based on Deep analytics and on implementing those projects improved productivity by 10% reducing energy by 3% which in turn reduced the CO_2 emission to the tune of 365 Tons/ Month.

(ii) Steps taken by the Company for utilizing alternate sources of energy

As per Apollo vision to increase the percentage of renewable power contribution to 30% by the year of 2030 and 100% by the year of 2050 and reduction of carbon footprint, hybrid group captive power is being initiated for all across the plant as part of horizontal deployment.

Usage of 100% briquette as a alternate fuel in place of coal implemented in Andhra Pradesh plant and 30% of briquettes in Kerala plants. Usage of 100% briquette as a alternate fuel in place of coal is explored to all the plant in the near future to reduce carbon emission.

(iii) The capital investment on energy conversation equipments

Roof water harvesting facility planned to set up in Kerala plants like Chennai and AP plant.

This year also continued to identify energy saving projects, which can be, implemented horizontally all across the location that will improve sustainability and profitability.

Rolling capex rolled out for all the plants for implementing various energy saving projects.

Following Energy efficiency projects shortlisted for further evaluation for more efficient usage of utilities.

- Use of IE3/IE4 energy efficient motors is made a norm across plants for all future purchases.
- Horizontal deployment of energy efficient vacuum pump to be installed in all the plants.
- Pilot project implementation of automatic condenser tube cleaning system to improve the chiller energy efficiency.
- Alternate method of cooling tower maintenance by installing SBR system to avoid the auto chemical dosage system and manual cleaning system to maintain the cooling tower efficiency and reduce the operational cost.

- AHU upgradation from single stage to multistage cooling method to improve the chilled water efficiency.
- Alternate method for curing being looked into for reducing the water consumption.
- Coal fired boiler reliability is improved and the hot standby of FO boiler has been kept cold standby to reduce the FO consumption in Chennai.

B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards Technology absorption

Our Company's commitment to technology and innovation is critical to our goal of achieving product leadership and maintaining our technology readiness. We have consistently focused on investing in research and development to ensure long-term success, and we are proud to share our progress on several key initiatives.

1. **Consistent focus on investments in R&D and product excellence for the long term:** We believe that investing in R&D is essential to stay ahead of the competition, and we have consistently prioritized this area of our business. Our team of experts is continuously researching new technologies and innovations that can be applied to our products to improve their performance and functionality. We are committed to delivering high-quality products that meet our customers' needs and exceed their expectations.

2. **New product launches and range extension:** We have launched several new products over the past year and plan to continue this trend in the future. We understand that customers want a wide range of options to choose from, and we aim to meet this demand by expanding our product range. Our focus on innovation and technology means that we can develop products that are both innovative and performing, ensuring that our customers get the best of both worlds.

3. **Focus on EV's:** As the world moves towards a more sustainable future, we are committed to doing our part. One of the ways, we are doing this is by focusing on electric vehicle tyres. We believe that EVs are the future of transportation and are investing heavily in this area. We have already launched several EV tyres and plan to continue developing new platforms like borne EV tyres in the years to come.

4. **Help manufacturing improve cost competitiveness:** We understand that cost competitiveness is crucial for success in any industry. That's why we are working closely with our manufacturing plants to help them improve their processes and reduce costs. By doing so, we can ensure that our products are priced competitively while maintaining high quality.

5. **Supporting sustainability initiatives:** Our commitment to sustainability extends beyond EVs. We are also working to reduce our carbon footprint by implementing sustainable practices throughout our operations. We believe that by doing so, we can help preserve the planet for future generations while also improving our bottom line.

6. **Increased focus on enabling technologies like sensor technology and advanced material development:** We recognize that such enabling technologies can have a significant impact on our products' performance and functionality and hence, we are increasing our focus on these areas and investing in research and development to ensure that we stay at the forefront of these technologies.

Our Company is pleased to share with you all the recent achievements and recognition received by our Research and Development function. These awards are testaments to the hard work, dedication and excellence of our team members.

1. **Best Supplier award from Volvo Eicher Commercial Vehicles for Tyre sourcing & development:** This award recognizes our team's efforts in providing high-quality tyres for commercial vehicles that meet the stringent requirements of Volvo Eicher Commercial Vehicles. Our team's commitment to product excellence and customer satisfaction has helped us secure this prestigious award.

2. **Best Supplier Award in Delivery from Daimler India Commercial Vehicles Pvt. Ltd. for COVID-19 Delivery Support, Meeting revised GCC norms, Support for Export Model Supply:** Our team's agility, flexibility and responsiveness in managing the challenges posed by the COVID-19 pandemic and the revised GCC norms have been instrumental in securing this award. Our team's dedication to supporting our customers' needs has helped us earn this recognition.

3. **Platinum Award from CATERPILLAR India for meeting the high standards set by Caterpillar on Product Quality, Product Documentation & Delivery performance (Supplier Quality Excellence Process):** Our team's focus on product quality, documentation and delivery has helped us earn this recognition.

4. **IRCO Medal from International Rubber Conference Organization for Exceptional achievements and contributions to the knowledge and understanding of Rubber Science and Technology across the world:** This award recognizes our team's outstanding contributions to the field of rubber science and technology. Our team's expertise and innovation have helped us make a significant impact in this area, and we are honoured to receive this prestigious award.

5. **Young achiever's award to our scientist by Science and Engineering Research Board (SERB) and Department of Science & Technology, Government of India:** This award recognizes the outstanding contribution of our scientist in developing readily adoptable technology that benefits the industry and the environment. Our team's dedication to innovation and sustainability has helped us earn this recognition.

In conclusion, these awards are testaments to our team's commitment to excellence, innovation, and customer satisfaction. We are proud of these achievements and will continue to strive for excellence in all areas of our research and development function.

Industry - University Collaborations:

We are excited to share with you our ongoing collaborations with major universities across the globe, which have been instrumental in our success in technology development. These partnerships have enabled us to access cutting-edge research, advanced testing facilities, and world-class talent, accelerating our innovation and product development efforts. Apollo continues to be a member with Centire research centre of Virginia Tech., USA, which provides access to many new avenues in research.

Our collaborations with various global universities have been instrumental in advancing our research in tyre technology, providing us with access to the latest research findings and talent in these fields. These collaborations have also resulted in joint publications, patents, and research grants, enhancing our credibility and reputation in these areas.

Industry-University collaboration is an essential partnership that brings together academia and industry to work towards common goals. This collaborative research has numerous benefits for both parties, including fundamental research, development of innovative technologies, knowledge transfer, talent acquisition etc. Industry partners can bring valuable insights into real-world problems, while academic researchers can provide scientific expertise and resources. Sharing facilities and equipment can be a result of such collaboration which brings major benefit for both the parties involved. Industry partners can gain access to state-of-the-art research facilities and equipment of universities, while universities can leverage industry expertise to better understand how to apply their research in real-world settings. Finally, technology transfer is another key aspect of industry-university collaboration.

Our R&D has collaboration with premium universities and institutes across the globe which includes Dresden, Germany, Centire research centre of Virginia Tech., USA, Sussex university, UK, IIT Kharagpur, IIT Madras, BITS Pilani, Goa, M.G University, Kerala, CUSAT, Kerala, SRM Institute, Chennai, VIT, Chennai, MIT-Anna University, Chennai, B.S. Abdur Rahman Crescent Institute of Science & technology, Chennai, Kamaraj college of engineering and technology, Madurai. This helped our Company in open innovation, fundamental and advanced research on materials, processing, characterization techniques, simulation (process & materials) to develop winning products for the automobile market.

Moreover, our collaborations have facilitated knowledge transfer, helping us leverage the expertise of our academic and industry partners. These partnerships have resulted in joint training programs, internships, and recruitment, providing us with access to highly skilled talent and helping us develop our workforce. Apollo's long term high value training programme (Technical Leadership Development Programme), which involves professors from universities and experts from various technology domains, helps the Company to develop breed of scientists, who are future ready.

Material Sustainability:

As a responsible organization, we recognize the importance of material sustainability in our operations and products. Material sustainability refers to the responsible sourcing, use, and disposal of materials throughout their life cycle, from extraction to disposal. The following are some of the initiatives carried out that are critical for our business:

1. **Awareness Programs (Internal and External)**

    - An informative session regarding various aspects of sustainability in the tire industry was conducted throughout all the plants.
    - Our Company has secured ISO 20400 certification for Sustainable Procurement, making us the first Company in the Indian automotive sector to achieve this.
    - Workshop is being conducted for the rubber grower and supplier to facilitate them in understanding the guidelines of GPSNR and Company sustainability aspects.

2. **Sustainability Target Publications**

    - Our Company has proclaimed its intention to develop products with 40% sustainable materials across all product groups by 2030.
    - We are also committed to achieving the ambitious target of becoming first Indian tyre manufacturer to be carbon-neutral tyre by 2050.

3. **Material Research**

    - Our Company has formed a partnership with Tyromer Inc. based in Canada, to investigate the application of advanced recycling technology to create and use new and highly sustainable rubber from ELTs.

- The Sustainability function in R&D has taken initiative to develop an in-house research facility with advanced instrumentation capability to enhance quality of recycled materials.
- We are exploring a significant initiative with a reputable foreign collaborator to transform ELTs into nearly prime rubber via environmentally friendly technology.

4. Material Development

- The team is collaborating with Raw materials and Purchase departments to proactively engage in the exploration of novel substitutes for existing raw materials which are not environmentally friendly.
- The team is collaborating closely on the development of rubber compounds having improved sustainability index, which will be used in all product categories.

5. Prototype and Material Conservation Program

- A prototype of the agricultural tyre was developed with 75% sustainable materials. An extensive testing has been initiated to assess the functional efficiency and capability of this tyre.
- To support the light weighting of tyres while maintaining their performance, an initiative has been launched to redesign tyres for different product categories.
- To align with the Company's sustainability objectives, a technical level discussion carried out among ATMA members and government representatives to address the shortcoming associated with newly notified EPR guidelines.

Raw materials:

Collaborative work with universities and supplier of 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. As part of sustainability journey, we are in the process of developing sustainable materials (Recycled rubber, recovered carbonaceous filler, Rice husk silica, Bio oil, Bio monomer based synthetic rubber and reinforcements) as a replacement for existing materials. New generation reinforcing materials for improved tyre performance and weight reduction are developed. New filler technology is developed to improve the rubber filler interaction that can enhance performance of tyre. Highly sophisticated analytical instruments are installed to develop method to characterize smart materials for tyre application. Two patents were applied pertaining to innovative material and process of synthesizing the same. Two Papers were published in international journals.

Compounding:

We are excited to share with you our Company's focus on Compounding on the following areas:

1. Growing focus on the EV segment poses new challenges in terms of fuel efficiency and durability. Keeping this in mind, the PV Compounding team has developed and industrialized tread compounds in adherence to the CAFÉ norms and high wet/dry grip requirements.
2. In Two-wheelers, a sustainable tread compound with improved mileage and cost competitiveness for the commuter segment was developed and industrialized in 20 sizes. New product for the adventure touring application demands a highly durable tread compound with no compromise on traction and wear for different terrains. This challenging target was met with the development of a new generation tread compound with highly functionalized polymers, dual filler systems and high-performance resins.
3. The Introduction of new generation SSBRs, new grades of silica and advanced dispersing aids has pushed our compound portfolio a notch higher in terms of performance with no compromise on processability. In TBR category, a new generation tread compound for LD 2.0 tyre was developed to meet the requirements of superior mileage and cut -chip resistance. This was achieved through use of tri-blend polymer system, carbon coupling agent, dual filler system and an optimized cure package.
4. MMT technology: Development of compounds at the top and mid layer-compound meeting the contradictory requirements of mileage, RRC and cut-chip resistance for regional applications.
5. Radial tyres for mining applications: This requirement posed challenges in terms of the high chipping resistance and mileage requirements. The targets were achieved through use of a NR/ synthetic rubber blend, blend of high reinforcement blacks and performance resins.
6. Applications for severe off-road conditions in Brazil demanded a high chipping resistance compound. This was achieved through use of performance resins, synthetic rubber blend with high filler loading of high reinforcement.
7. Bias tyres segment: The development of new tread compound with high abrasion resistance, low RR and high chipping resistance for the new range of

LCV tyres-Vihaan marked a significant achievement for the team.

Predevelopment & Simulation:

Predevelopment & Simulation function of R&D has continued its work in further improving rolling resistance for passenger car and radial commercial vehicle tyres. New tyre simulation tool was developed to understand the tyre behaviour and predict the compound characteristics required thereby shortening the time required for new compound development. The team is working with new generation reinforcements which will support in light weighing of tyres without compromising on tyre performance. A lot of progress has been made to make the tyre quieter in passenger car using Metamaterials and Foam technology. A new simulation methodology has been developed to predict the rumble noise and thereby help in reducing the development cycle time for OEMs. Technology for puncture resistance in passenger and 2W tyre has been developed, work in progress towards making it sustainable technology. Simulation team is working on new methodology to virtually predict tyre wear for different vehicle configurations, load and road conditions. Vehicle dynamics team has developed a new capability to process test data from advanced indoor test machines for generating various tyre models catering to OEM requirements.

Advanced Engineering:

Advanced Engineering has developed TPMS and RFID technologies for tyre health monitoring and digital identification of tyres which can potentially support evolving business models. Our continued investment in the technology absorption is a key strategic priority for our organization. As we look back on the past year, we are proud of the progress we have made in absorbing new technologies and integrating them into our operations.

Design:

Focussing on the pillar of digitalization, new age technologies are used to gain valuable insight into customer preferences and behaviours during new product development. We believe that even today, aesthetics is an area which is not fully tapped and can be a potential differentiator for a performance product like tyre. Aesthetics being very much subjective and emotionally connected, the "Eye tracking" process established by Design Studio team at Apollo R&D Asia has proven to be extremely effective over the normal VOC capturing techniques. It has helped to decode consumer responses to different designs, textures, and other aesthetic elements of a tyre. The insights are used in new product designs to increase the overall engagement of customer with the product, ultimately converting it to a purchase decision.

Process Technology Development:

Our R&D has a renewed focus on **Process Technology Development (PTD)** and we believe investing in this area is critical to driving innovation and maintaining a competitive edge in the market.

PTD focus areas are:

1. Mixing time reduction for soft compound using tandem mixing system.
2. Smooth processing of high tack (High Resin) compounds at mixer using Roll coating.
3. Increase Steel Textile calendar output by increasing speed and input stock width.
4. Reduction of tyre weight by thinner technical layer using Electron Beam Radiation.
5. Establishment of Very high turn up (Envelop) construction system in Uni stage tyre building machine.
6. Reduction of PCR tyre cure cycle and improve RRC by Mould steam boosting and Split cure set up.
7. Reduction of mould warm up time by fast and controlled steam boosting.
8. Improve tyre cure level uniformity by using Real time input based Smart Cure system.
9. Indigenous cost-effective process development for Foam application in PCR tyres.

Intellectual Property:

We are pleased to report that our **Intellectual Property (IP)** function has been instrumental in protecting and driving the success of our business. Our IP function is responsible for identifying, protecting, and leveraging our intellectual property assets to enhance our competitive advantage and create long-term value for our stakeholders.

The following are some of the key achievements of our IP function:

1. 28 patent applications were filed in FY23.
2. Total 200+ active patents across geographies.
3. 12 design registrations filed in FY23.
4. A total of 210+ design registrations across geographies.

Our IP function has fostered a culture of innovation within our organization by encouraging our employees to identify and protect their innovations. This has led to the creation of new intellectual property assets and enhanced our product development capabilities.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Our Company has emerged as a leader in the passenger car segment in India. Our commitment to innovation, quality, and customer satisfaction has enabled us to capture a significant share of the Indian car market and establish ourselves as a leading brand in the country.

Our success in the passenger car segment is the result of several factors, including:

1. In the home market, the Company maintained the leadership position in the passenger car tyre category through various projects for product improvement, value engineering and product innovation.

2. Part of EV Journey launched "Amperion" range of products developed for the Electrical Vehicles with unique technologies AQuTTech and BEST Tech for reducing noise and enhancing the battery range respectively. The Amperion Product Line is catering to popular EVs in the market.

3. Achieved the recognition of First Indian Tyre Brand to get fuel savings label with 5-STAR RATING for Passenger Car Tyre Category by Bureau of Energy Efficiency (BEE). "Amperion" bagged the prestigious 5 Star rating after evaluation as per the new regulations.

4. The Vredestein Pinza AT product line launched for the Premium Luxury SUV category now has 19 sizes.

5. As part of EV and Premiumization journey, benchmarked existing product lines in Global Arena against the EV tyres from Global players in Europe, Korea, and Japanese markets. Established as a preferred partner for EV Journey of all major OEMs.

6. Secured Approval in BMW's prestigious 5, 7 series and working on more models including EV variant.

7. Secured approval in 5 Electric Vehicles and Secured nominations for most of the BEV platforms in both CSUV and SUV category.

8. In UHP category, Aspire 4G+ is the upgraded with 20% improved Rolling Resistance. The Altrust Grip product range, which was created for the AMA region, now includes ten more SKUs.

9. Foam Technology capability established in Chinnapanduru plant for OE supplies. Sealant Technology is also ready and further work is on to make sealant technology more sustainable.

10. Continuously working on various projects on sustainability, like the use of recyclable materials and weight reduction without sacrificing tyre performance were undertaken as part of the organization's commitment to sustainability.

11. Durability enhancement done for two product lines to meet the rural application as a part of "Go Rural" journey.

TBR:

TBR segment retained its leadership in the market with the result of following factors:

1. The New Product Development and innovations in process technology have further helped gain market share in the challenging steer tyre segment with optimised footprint with uniform pressure distribution.

2. New tread architecture enhanced the durability of tyres by containing the heat build-up in the shoulder in mixed segment tyres for high temperature markets.

3. Apollo tyres expanded all steel radial products in mining and defence, leading radialization in these segments.

4. Apollo's all steel radial tyres are fully compliant with the new regulation notified by government of India and completed all necessary certification leading Indian tyre industry towards the Global regulatory compliance.

5. Apollo tyres becomes the first in CV segment to be approved for 5 Star Label for fuel efficiency as per Bureau of Energy Efficiency Tyre labelling programme. The all range of radial Tube type Light Truck tyres are in the 4 Star/ 5 Star band.

6. In line with the commitment to reducing material usage, Apollo has developed Light weight carcass technology and launched Light weight range of products for Export and Domestic markets.

7. With the launch of linehaul and 24.5" SKUs meeting Smartway norms, Apollo has completed the product basket for US market.

8. Supplies of Made in India TBR tyres to off-shore Global OEMs – IVECO in Brazil and PACCAR in US added glory to our Global OE business.

9. Nitrogen curing technology in TBR has been adopted in Hungary and Chinnapanduru Plants envisaging the sustainability and smooth operations in future.

2 – Wheeler:

Our Company has successfully developed and launched the "Tramplr" tyres series focusing on Enduro Off-Road and Enduro street tyres for the premium Indian motorcycle segment ranging from 150 cc to 500 cc. The

Tramplr range tyres will cater to various motorcycle segments such as Sport Touring, Adventure Touring, Cruisers and Street Sports and those are all constitutes 20% of the overall motorcycle market in India. The "Tramplr" range comes in 2 patterns, Apollo "Tramplr XR" which is a Steel belted radial technology and having 70:30 Enduro On/Off-Road tyres for Adventure touring and Apollo "Tramplr ST" which is an 80:20 Enduro street tyre for Dual sport capabilities.

1. The Apollo "Tramplr XR" range will cater to the likes of Royal Enfield Classics, Yamaha FZ series, Suzuki Gixxer & Intruder, KTM series, Bajaj Dominar and BMW G310R. In addition to that, the Apollo Tramplr XR tyres feature imprints the adventure-loaded locations on the sidewall of the tyres.

2. The Apollo "Tramplr ST" tyres are inspired by the street culture of biking and the sidewall is imprinted with the graffiti art and the range will cater to the likes of motorcycles such as Bajaj Pulsar, TVS Apache Series, Yamaha Fazer and MT15. Requirements of these bikes are superior grip and low rolling noise while being stable at high speeds. Trample ST series of tyres perfectly support the above requirements in all weather conditions with their big central blocks and wide footprint area.

3. Before the launch of these tyres and due to import restrictions, the customers used to wait for months, which led to high demand for these tyres, which was the opportunity we seized with these tyres to gain business. These tyres got positive feedback and accepted well not only in the Indian market, but also in other countries like South Africa, Thailand and even Gulf countries.

The Company also focuses on the optimization of sustainable materials usage. The Company has even planned to extend "Centauro" to the "Adventure" segment in Vredestein brand which suites for High end Adventure Motorcycles with On/Off-road usage. The Company has also strategized to cover all ranges of new vehicles not only in the premium segment of High-end Motorcycles, but also in the Premium Scooter segments.

On OEM front, the Company has bagged the approval of a major player in the segment, "Royal Enfield" for which the supply is going on, thanks to the successful development of a specific tyre, "Continental 650", a tailor-made tyre for meeting the performance needs of a vehicle. Additionally, Company is keenly working with Royal Enfield, KTM, BMW on other category of tyres including conventional fitment.

Truck Bus Bias:

Our success in the Truck Bus Bias segment is the result of following factors:

1. Launch of Vihaan tyres in LCV category with the USP of high wear resistant tread compound for superior mileage, unmatched durability with heat ageing resistant technology and best in class Retreadability.

2. Launch of Pick-up category tyres with re-engineered and robust bead area design to overcome bead related failures which is a common customer pain point in this category.

3. TERRA MT tyres launched with specially designed tread pattern which offers very good traction at severe under foot conditions and Specially designed Durable casing with highly advanced engineering materials which provides superior life and concussion free tyre in mining application. TERRA tyres provide high up time and maximise the vehicle output.

OHT:

Our Company has successfully established following technologies:

1. Establishment of Steel breaker technology in Farm Front Bias segment: **I**mpact & **P**uncture **R**esistance **(IPR)** technology.

2. Establishment High Traction Puddling Special Product: **FX-333** series – **Gravity Fall** technology.

3. Establishment of Next Gen. All Rounder product in Agri Drive Bias segment: VIRAT R1: **Mono-Arc Double-Grip** technology.

Testing:

Testing is a critical component of our product development process. Our commitment to testing reflects our dedication to delivering high-quality, reliable products that meet the needs of our customers.

The following are few of the key aspects of our testing program:

1. With the inauguration of the advanced Tyre Test Centre at Chennai in December 2022, the state-of-the-art tyre characterisation capability has become a technology nerve centre for the tyre development engineers & scientists.

2. The new facility hosts a series of advanced testing equipment. The new generation Flat-Trac machine and the High-speed-uniformity with Anechoic chamber are the most prominent ones among them. Objective measurement of handling & NVH parameters at real life situations and its in-house correlation with tyre characteristics helps to accelerate development cycle. Also, Apollo became fully self-reliant on generation of tyre models that go as input for full vehicle simulations at OEM to marry tyres to vehicles.

3. Unique combination of High-Speed Uniformity machine with an Anechoic chamber helps to seamlessly measure both vibration and noise behavior of tyres. The Gleneagles Road shells on the machine facilitate the noise excitation as experienced on typical road surfaces.

With the new testing facility at Apollo, outdoor iterations are considerably reduced, which helps us to fast develop tyres in line with OEM/ Replacement and new market needs.

In conclusion, we are committed to technology and innovation and believe that these areas are critical to our success. We will continue to invest in R&D and product excellence, develop new products, focus on EVs, help manufacturing improve cost competitiveness, support sustainability initiatives, and increase our focus on enabling technologies. By doing so, we are confident that we will maintain our product leadership and remain a technology-ready Company for years to come.

(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

	(₹ Million)
a) Capital	541.76
b) Deferred Revenue Expenditure	0.00
c) Revenue	1,404.11
d) Total	1,945.87
e) Total R&D expenditure as a % turnover	1.15%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ Million)
(i) Foreign Exchange Earnings	
On account of direct - export sales from Apollo Tyres Ltd (FOB value)	24,817.58
On account of royalty from Foreign Subsidiary Companies	85.28
On account of Cross Charge of Management Expenses from Foreign Subsidiary Companies	438.85
On account of Reimbursement of Expenses from Foreign Subsidiary Companies	598.96
(ii) Foreign Exchange outgo (other than CIF value of imports)	4,248.01

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
DIN: 00058921

Place : Amsterdam
Date : May 9, 2023

Annexure V

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

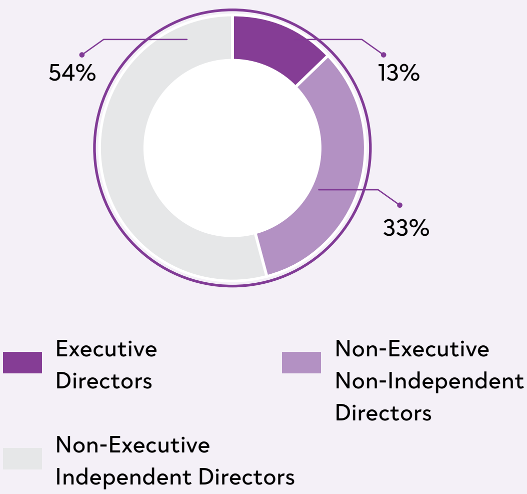
At Apollo, we believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of Apollo Tyres, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long term interests of all our stakeholders.

Apollo's Board consists of eminent individuals 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, amongst 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.

COMPOSITION OF BOARD

The Board comprises of an optimum combination of Executive and Non-Executive Directors as required under the Act and the Listing Regulations. As on the date of the report, the Company's Board of Directors consists of 15 Directors, 2 of which are Executive Directors, 8 are Non-Executive Independent Directors (including 2 Women Directors) and 5 are Non-Executive Non-Independent Directors, who are leading professionals in their respective fields.

Composition of Board of Directors



The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

SEPARATE POST OF CHAIRMAN & MANAGING DIRECTOR

The Chairman of the Board is a Non-Executive Non-Independent Director & therefore the positions of the Chairman and Managing Director are held by separate individuals.

Profile of the Chairman: 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, spanning 3 continents. 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 and was a Member of the Board of Governors for the Indian Institute of Management (Kozhikode). 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 Medicare Services Ltd, 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 in 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$3 billion. Under his able leadership, the Company expanded its global footprints by acquiring Dunlop Tyres International in South Africa and Zimbabwe, Vredestein Banden B V in the Netherlands and setting up of a Greenfield Facility in Hungary, thereby transforming itself into a multi-geography Company with operations across the globe. The Company also started Greenfield plant in India.

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 as Joint Managing Director in 2006, elevated to Vice Chairman in 2008 and soon after to 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 Tyres, 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.

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.

DIRECTOR'S DIRECTORSHIPS/COMMITTEE MEMBERSHIPS

In terms of Regulation 26 of the Listing Regulations, none of the Directors of your Company is a member of more than 10 (Ten) Committees or is the Chairman of more than 5 (Five) Committees across all the public limited companies (listed or not) in which he/ she is a Director excluding private limited companies, foreign companies, high value debt listed companies and companies under Section 8 of the Act.

No Director of the Company serves as an Independent Director in more than 7 (Seven) listed Companies and in case he/she is serving as a Whole-Time Director in any listed Company, does not hold the position of Independent Director in more than 3 (Three) listed Companies. Further, all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors and their Directorship(s)/ Committee Membership(s)/ Chairmanship(s), as on March 31, 2023 are provided below:

Name/Designation of Director(s)	Executive/ Non-Executive/ Independent	No. of positions held in other Companies			Name of other listed entities in which Director holds Directorship and category of Directorship
		Board(1)	Committee(2)		
			Member	Chairperson	
Mr. Onkar Kanwar Chairman (DIN: 00058921)	Promoter – Non - Executive	3	-	1	- PTL Enterprises Ltd. (Non-Executive Non-Independent) - Artemis Medicare Services Ltd. (Non-Executive Non -Independent)
Mr. Neeraj Kanwar Vice Chairman & Managing Director (DIN: 00058951)	Executive	2	3	-	- PTL Enterprises Ltd. (Non-Executive Non-Independent) - Artemis Medicare Services Ltd. (Non-Executive Non -Independent)
Mr. Satish Sharma Whole-time Director (DIN:07527148)	Executive	-	-	-	None

Name/Designation of Director(s)	Executive/ Non-Executive/ Independent	No. of positions held in other Companies			Name of other listed entities in which Director holds Directorship and category of Directorship
		Board[(1)]	Committee[(2)]		
			Member	Chairperson	
Mr. Akshay Chudasama (DIN: 0010630)	Non-Executive Independent	1	1	-	- Bata India Ltd. (Non-Executive Independent)
Gen. Bikram Singh (Retd.) (DIN: 07259060)	Non-Executive Independent	-	-	-	None
Mr. Francesco Crispino (DIN: 00935998)	Non-Executive Independent	-	-	-	None
Ms. Pallavi Shroff (DIN: 00013580)	Non-Executive Independent	5	5	1	- One 97 Communications Ltd. (Non-Executive Independent) - Asian Paints Ltd. (Non-Executive Independent) - InterGlobe Aviation Ltd. (Non-Executive Independent) - PVR Ltd. (Non-Executive Independent)
Ms. Lakshmi Puri (DIN:09329003)	Non-Executive Independent	-	-	-	None
Mr. Vikram S. Mehta (DIN:00041197)	Non-Executive Independent	6	6	1	- Colgate Palmolive (I) Ltd. (Non-Executive Independent) - Mahindra & Mahindra Ltd. (Non-Executive Independent) - Larsen & Toubro Ltd. (Non-Executive Independent) - Jubilant Foodworks Ltd. (Non-Executive Independent) - InterGlobe Aviation Limited (Non-Executive Independent)
Mr. Vinod Rai (DIN:00041867)	Non-Executive Independent	5	-	-	- Kalyan Jewellers (India) Limited (Non-Executive Independent)
Dr. Jaimini Bhagwati (DIN:07274047)	Non-Executive Independent	2	1	-	- IDFC First Bank Ltd. (Non-Executive Non -Independent) - IDFC Ltd. (Non-Executive Independent)
Mr. Francesco Gori (DIN: 07413105)	Non-Executive Non-Independent	-	-	-	None
Mr. Robert Steinmetz (DIN:00178792)	Non-Executive Non-Independent	-	-	-	None
Mr. Sunam Sarkar (DIN:00058859)	Non-Executive Non-Independent	-	-	-	None
Mr. Vishal Mahadevia (DIN:01035771)	Non-Executive Non-Independent	1	-	-	- IDFC First Bank Ltd. (Non-Executive Non -Independent)

(1) 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.

(2) 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.

Notes:

1. Mr. Onkar Kanwar continues as the Non-Executive Director designated as Chairman w.e.f. February 1, 2023.
2. Dr. Jaimini Bhagwati was appointed as an Independent Director for a period of 5 years w.e.f. February 2, 2023.
3. There are no inter-se relationships between the Board members except Mr. Onkar Kanwar and Mr. Neeraj Kanwar being father and son.
4. 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 fees of ₹ 9.90 million during FY23 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.

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:

Sl. 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.	Gen. Bikram Singh (Retd.)	Former Chief of Indian Army and an expert in Administration and Strategy.
5.	Mr. Francesco Gori	Expert in the field of International Strategy, Product Development & Management, Sales and Marketing.
6.	Mr. Francesco Crispino	Expert in the field of Investment Banking and Corporate Law.
7.	Dr. Jaimini Bhagwati	Expert in Economics, Foreign Policy, Regulatory Environment and Strategic Planning.
8.	Ms. Lakshmi Puri	Expert in Economics, Foreign Affairs and International Trade and Development.
9.	Ms. Pallavi Shroff	A lawyer, with an expertise in Ad-hoc Arbitrations and Institutional Arbitrations and handling Legal Disputes.
10.	Mr. Robert Steinmetz	Expert in International Tyre Business and Technical Operations.
11.	Mr. Sunam Sarkar	Expert in sourcing of Raw Materials, HR, IT, Sustainability, Business Operations and Corporate Strategy.
12.	Mr. Satish Sharma	Expert in the field of key functions like Manufacturing, Sales and Marketing, Projects and R&D.
13.	Mr. Vikram S. Mehta	Expert in the field of Sales, Marketing, Strategy and Management.
14.	Mr. Vinod Rai	Ex-Comptroller and Auditor General of India, Expert in Audit, Banking, Finance and Corporate Governance.
15.	Mr. Vishal Mahadevia	Expert in the field on Finance, Economics and Private Equity Investments.

INDEPENDENT DIRECTORS

All Independent Directors have confirmed that they meet the conditions of independence specified in Section 149 of the Act and Regulation 16(b) of the Listing Regulations. Further, in terms of Regulation 25(8), the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. All such declarations are placed before the Board for information. Basis this, the Board is of the opinion that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management.

Pursuant to a notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), all the Independent Directors, are registered with the Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

A formal letter of appointment to Independent Directors as provided in Act has been issued and the same is available in Investors section on website of the Company viz. https://corporate.apollotyres.com/investors/directors-information/#?activeTab=Directors_Info

During the year, the Board of Directors based on the recommendations made by the Nomination & Remuneration Committee had appointed Dr. Jaimini Bhagwati as an Independent Director with effect from February 2, 2023 and shareholders approval for appointment as an Independent Director was received on March 31, 2023.

Meeting of Independent Directors

As required under Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors without the presence of Non-Independent Directors or representatives of management was held on March 30, 2023. 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.

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 programmes. 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 FY23 are available on the website of the Company. The weblink is https://corporate.apollotyres.com/content/dam/orbit/apollo-corporate/investors/corporate-governance/others/others/Details%20of%20familiarisation%20programme%20FY23.pdf

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.

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).
- Information on recruitment/ remuneration of senior officers just below Board level including appointment or removal of Chief Financial Officer and Company Secretary.
- 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 required).
- Operation of Bank Accounts (as and required).
- Re-appointment of Secretarial Auditor (on Annual Basis).
- Group Organogram (on Quarterly Basis).
- Details on Dividend (on Annual Basis).
- Details on Issue and Listing of Commercial paper (as and when required).
- Presentation on repayment schedule & financial covenants (as and when required).
- Presentation on HR processes related to Gender Diversity (as and when required).
- Presentation on CSR projects empowering women (as and when required).
- Issue of NCDs on a Private Placement Basis (as and when required).
- Grant of Donation (as and when required).
- Capacity Expansion (as and when required).
- Presentation on Sustainability (as and when required).

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.

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.

Details of Board Meetings & Board attendance

During FY23, 5 (Five) Board Meetings were held on May 12, 2022, August 12, 2022, November 14, 2022, February 2, 2023 and March 28, 2023. The gap between any two meetings never exceeded 120 days as per the requirements of Regulation 17(2) of the Listing Regulations.

The attendance of the Directors at the Board meetings and the Annual General Meeting of the Company held during FY23, is as follows:

Name/Designation of Director	Executive/ Non-Executive/ Independent	No. of Board Meetings held/attended during tenure of the Director		Attendance at last AGM
		Held	Attended	
Mr. Onkar Kanwar, Chairman	Promoter and Non-Executive	5	5	Yes
Mr. Neeraj Kanwar, Vice Chairman & Managing Director	Executive	5	5	Yes
Mr. Satish Sharma, Whole-time Director	Executive	5	5	Yes
Mr. Akshay Chudasama	Non-Executive Independent	5	3	Yes
Gen. Bikram Singh (Retd.)	Non-Executive Independent	5	5	Yes
Mr. Francesco Crispino	Non-Executive Independent	5	4	Yes
Ms. Lakshmi Puri	Non-Executive Independent	5	5	Yes
Ms. Pallavi Shroff	Non-Executive Independent	5	3	Yes
Mr. Vikram S. Mehta	Non-Executive Independent	5	5	Yes
Mr. Vinod Rai	Non-Executive Independent	5	5	Yes
Dr. Jaimini Bhagwati*	Non-Executive Independent	2	2	NA
Mr. Francesco Gori	Non-Executive Non- Independent	5	5	Yes
Mr. Robert Steinmetz	Non-Executive Non-Independent	5	5	Yes
Mr. Sunam Sarkar	Non-Executive Non-Independent	5	5	Yes
Mr. Vishal Mahadevia	Non-Executive Non-Independent	5	5	Yes

*Dr. Jaimini Bhagwati was appointed as an Independent Director for a period of 5 years w.e.f. February 2, 2023.

3. BOARD COMMITTEES

In compliance with the statutory requirements, the Board has constituted various Committees with specific terms of reference and scope. The objective is to focus on specific areas and make informed decisions within the authority delegated to each of the Committee. All decisions and recommendations of the Committees are placed before the Board for its information or approval.

During FY23, the Board has accepted all the recommendations of the Committees.

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.

Composition, Meetings and Attendance

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.

As on March 31, 2023, Audit Committee comprised of 4 (Four) members, 3 (Three) being Non-Executive Independent Directors and 1 (One) being Non-Executive Non-Independent Director. Mr. Vinod Rai, Non-Executive 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.

During FY23, 4 (Four) Audit Committee Meetings were held on May 11, 2022, August 11, 2022, November 10, 2022 and February 1, 2023.

The composition of the Committee and attendance of members at the Committee meetings held during FY23, are given below:

Name of Director	Designation	Category of Director	No. of meetings held during his / her tenure and attended	
			Held	Attended
Mr. Vinod Rai	Chairman	Non- Executive Independent	4	4
Mr. Akshay Chudasama	Member	Non- Executive Independent	4	4
Ms. Pallavi Shroff	Member	Non- Executive Independent	4	3
Mr. Robert Steinmetz	Member	Non- Executive Non-Independent	4	4

In addition to the members of the Audit Committee, these meetings are attended by Vice Chairman & Managing Director, President (APMEA) & Whole-time Director, Chief Financial Officer, President (Europe), Group Head (Corporate Accounts & Taxation), Group Head (New Market & Channels), 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 Committee also invites other Directors who are not members of the Committee, to attend the meeting as invitees as and when required.

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 July 11, 2022.

Brief description of the Terms of Reference

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 or preferential issue or qualified institutions placement, 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 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.

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 of 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 scope and authority of the Internal Auditor is defined in the Internal Audit Charter. The Internal Audit has a well laid down internal audit methodology, which emphasis on risk based internal audits using data analytics. The Internal Auditor 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, 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.

Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company. However, the Company has 5 material non-listed overseas Subsidiaries.

In terms of Listing Regulations following are the details of material subsidiaries:

Sl. No.	Name of Material Subsidiary	Details of Incorporation		Details of Statutory Auditors	
		Date	Place	Name	Date of Appointment
1	Apollo Tyres (NL) B.V.	March 16, 2005	Netherlands	Ernst & Young Accountants LLP	June 28, 2022
2	Apollo Tyres Cooperatief U.A.	May 1, 2009	Netherlands	No requirement for appointment of auditors as per local laws	NA
3	Apollo Tyres Holdings (Singapore) Pte Ltd.	September 9, 2010	Singapore	HLB Atrede LLP	September 6, 2016
4	Apollo Tyres (Europe) B.V.	February, 21, 2012	Netherlands	Ernst & Young Accountants LLP	June 28, 2022
5	Apollo Tyres (Hungary) Kft.	June 4, 2014	Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság	July 14, 2022

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/investors/corporate-governance/

NOMINATION AND REMUNERATION COMMITTEE

Composition, Meeting and Attendance

The composition of the Committee meets the requirements of Section 178 of the Act and the Listing Regulations. As on March 31, 2023, the Nomination and Remuneration Committee comprised of 3 (Three) members, all of whom are Non-Executive Independent Directors. Mr. Vinod Rai, Non-Executive Independent Director 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.

During FY23, 3 (Three) Nomination and Remuneration Committee Meetings were held on May 11, 2022, May 27, 2022 and February 1, 2023.

The composition of the Committee and attendance of members at the Committee meetings held during FY23, are given below:

Name of Director	Designation	Category of Director	No. of meetings held during his / her tenure and attended	
			Held	Attended
Mr. Vinod Rai	Chairman	Non- Executive Independent	3	3
Mr. Akshay Chudasama	Member	Non- Executive Independent	3	3
Ms. Pallavi Shroff	Member	Non- Executive Independent	3	1

The Company Secretary acts as the 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 July 11, 2022.

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. Following are the terms of reference pursuant to Section 178 of the Act & Regulation 19(4) read with Part D of 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.
- For every appointment of an Independent Director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  (i) use the services of an external agencies, if required;

  (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

  (iii) consider the time commitments of the candidates.
- 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.

Performance evaluation

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 based on criteria such as value addition to discussions and decisions, attendance in Board Meetings, effective contribution to Board Meetings etc. 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.

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:

(a) 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:

(i) 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.

(ii) A person should possess an 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.

(iii) An Independent Director shall 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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 25 of Listing Regulations.

The term "**Senior Management**" means the officers and personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below Chief Executive Officer/ Managing Director/ Whole-time Director (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the 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).

(b) 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):

(i) Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively.

(ii) Actively update their knowledge and skills with the latest developments in the Tyre/ Automobile industry, market conditions and applicable legal provisions.

(iii) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.

(iv) 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.

(v) 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.

(vi) 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.

(c) Remuneration of Directors, Key Managerial Personnel (KMP) and Other Employees

At 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 remuneration to be paid to the Senior Management Personnel shall be approved by the Board and to other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/ Whole-time Director 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 Director), 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.

(i) General

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 Directors. The remuneration shall be subject to the prior/ post approval of the shareholders of the Company.

(ii) Remuneration to Whole-time/ Managing Director

Fixed pay:

The Whole-time Director/ Managing 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 Director/Managing Director, in accordance with the provisions of the Companies Act, 2013.

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.

(d) Remuneration to Non-Executive Directors

Sitting Fees:

The Non-Executive including Independent Directors 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 Rupees 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/investors/corporate-governance/

(e) 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.

REMUNERATION TO DIRECTORS

The details of remuneration paid/ to be paid to Directors for FY23 are given below:

(i) Executive Directors

(₹ Million)

Particulars	Mr. Onkar Kanwar, Chairman*	Mr. Neeraj Kanwar, Vice-Chairman & Managing Director	Mr. Satish Sharma, Whole-time Director
Salary	37.50	39.48	31.83
Contribution to PF/ Superannuation/ Gratuity	11.93	12.56	10.12
Commission/ Performance Bonus	165.15	176.75	23.08
Perquisites	56.01	55.33	34.67
Total Remuneration	**270.59**	**284.12**	**99.70**
Stock Option	N.A.	N.A.	N.A.
Service contracts, notice period, severance fees	None		
As per Section 198 of the Companies Act, 2013, Net Profit of the Company is amounting to ₹ 8,822.07 million.			

* Mr. Onkar Kanwar continues as the Non-Executive Director designated as Chairman w.e.f. February 1, 2023. Hence, the remuneration is for 10 months only.

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 FY23 is as follows: Mr. Onkar Kanwar - 226 (calculated on the basis of aggregate of remuneration as Executive Director for 10 months and Non-Executive Director for 2 months), Mr. Neeraj Kanwar - 237 and Mr. Satish Sharma – 83.

3) The percentage increase in the remuneration of Mr. Onkar Kanwar and Mr. Neeraj Kanwar for FY23 is 94% and 132% respectively over FY22.

The increase is mainly due to payment of higher commission linked to sharp rise in profits in FY23. However, the remuneration of Mr. Onkar Kanwar and Mr. Neeraj Kanwar has decreased considerably by 36% and 23% respectively when compared with FY21.

The percentage increase in the remuneration of Mr. Satish Sharma for FY23 is 11% over the previous financial year.

The percentage increase in the remuneration of Mr. Gaurav Kumar, Chief Financial Officer is 9% during FY23 over the previous financial year.

The percentage increase in the remuneration of Ms. Seema Thapar, Company Secretary is 1% during FY23 over the previous financial year.

The amount of total commission provided to Non-Executive Directors in FY23 is ₹50 million against ₹38 million paid in the FY22.

The ratios of remuneration of Non-Executive Directors to median remuneration of employees are as under:

Name of Director	Remuneration for FY23 (₹Million)	% increase in remuneration (commission) during FY23	Ratio to median remuneration of employees
Mr. Akshay Chudasama	5.36	25	4.47
Gen. Bikram Singh (Retd.)	5.36	25	4.47
Mr. Francesco Gori	5.36	25	4.47
Ms. Lakshmi Puri*	5.36	NA	4.47
Ms. Pallavi Shroff	5.36	25	4.47
Mr. Robert Steinmetz	5.36	25	4.47
Mr. Sunam Sarkar	5.36	25	4.47

Name of Director	Remuneration for FY23 (₹Million)	% increase in remuneration (commission) during FY23	Ratio to median remuneration of employees
Mr. Vikram S. Mehta	5.36	25	4.47
Mr. Vinod Rai	5.36	25	4.47
Dr. Jaimini Bhagwati**	0.85	NA	NA

*Ms. Lakshmi Puri was appointed as an Independent Director w.e.f. October 29, 2021 and since comparable remuneration is not available therefore percentage increase in remuneration is not applicable.

**Dr. Jaimini Bhagwati was appointed as an Independent Director w.e.f. February 2, 2023 and since comparable remuneration is not available therefore percentage increase in remuneration and ratio to median remuneration to the employees are not applicable.

4) The percentage increase in the median remuneration of employees is 9.49%.

5) The total number of employees of the Company as on March 31, 2023 was 16,090 out of which 7,835 were permanent employees on the rolls of the Company.

6) The average percentage decrease in the salaries of employees other than the managerial personnel is 3% in FY23 over FY22. The average decrease in the remuneration of the employees other than the Managerial Personnel is due to reduction in numbers of permanent employees.

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 for FY23 is as follows:

Name of Director	Sitting fee (₹ Million)	Commission provided for FY23 (₹ Million)[4]	No. of Shares held as on March 31, 2023
Mr. Onkar Kanwar[1]	0.13	0.87	100,000
Mr. Akshay Chudasama	0.56	5.36	-
Gen. Bikram Singh (Retd.)	0.34	5.36	-
Mr. Francesco Gori	0.37	5.36	-
Mr. Francesco Crispino[2]	NIL	NIL	-
Ms. Lakshmi Puri	0.31	5.36	
Ms. Pallavi Shroff	0.36	5.36	-
Mr. Robert Steinmetz	0.57	5.36	-
Mr. Sunam Sarkar	0.52	5.36	-
Mr. Vikram S. Mehta	0.40	5.36	6,000
Mr. Vinod Rai	0.60	5.36	-
Mr. Vishal Mahadevia[2]	NIL	NIL	-
Dr. Jaimini Bhagwati[3]	0.13	0.85	-

Notes:

1. Mr. Onkar Kanwar continues as the Non-Executive Director designated as Chairman w.e.f. February 1, 2023.
2. 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.
3. Dr. Jaimini Bhagwati was appointed as an Independent Director for a period of 5 years w.e.f. February 2, 2023.
4. The commission is paid and disbursed, amongst the Non-Executive Directors of the Company equally in proportion to their tenure of Directorship for the financial year ended March 31, 2023.
5. No convertible instruments of the Company were outstanding as on March 31, 2023.
6. Save as otherwise provided in this report, apart from receiving Director's Remuneration, none of the Non-Executive Directors has any pecuniary relationships or transactions vis-a-vis the Company.

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 and its Subsidiaries 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.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2023, the Committee comprised of 3 (Three) members, all being Non-Executive Directors, out of whom 1 (One) is Non-Executive Independent Director. Mr. Sunam Sarkar, Non-Executive Non-Independent Director, acts as the Chairman of the Committee.

During FY23, 1 (One) meeting of the Stakeholders Relationship Committee was held on May 12, 2022.

The composition of the Committee and attendance of members at the Committee meetings held during FY23, are given below:

Name of Director	Designation*	Category of Director	No. of meetings held during his tenure and attended	
			Held	Attended
Mr. Onkar Kanwar	Member	Non-Executive Non-Independent	1	1
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	1	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1	1

*Mr. Onkar Kanwar was appointed as Chairman of the Committee w.e.f. May 9, 2023.

Ms. Seema Thapar, Company Secretary, acts as the Compliance Officer of the Company and Secretary to the Committee.

Mr. Sunam Sarkar, Chairman of Stakeholders Relationship Committee, attended the Annual General Meeting held on July 11, 2022 to answer the shareholders queries.

Brief description of 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.

No. of shareholders' complaints received

During FY23, the Company received 16 complaints. As on date, no complaints are pending. All complaints were attended and resolved to the satisfaction of the shareholders. Also there were no pending complaints at the beginning of FY23.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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.

Composition of CSR Committee

In compliance with the requirements of the Act, the Company has constituted the Corporate Social Responsibility (CSR) Committee. As on March 31, 2023, the Committee comprised of 4 (Four) members of whom 2 (Two) are Non-Executive Independent Directors and 2 (Two) are Non- Executive Non-Independent Directors. Mr. Onkar Kanwar acts as the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Meeting of CSR Committee and attendance of members during the year

During FY23, 2 (Two) meetings of CSR Committee were held on May 11, 2022 and February 2, 2023.

Name of Director	Designation	Category of Director	No. of meetings held during his / her tenure and attended	
			Held	Attended
Mr. Onkar Kanwar	Chairman	Non-Executive Non-Independent	2	2
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	2	2
Gen. Bikram Singh (Retd.)	Member	Non-Executive Independent	2	2
Ms. Lakshmi Puri*	Member	Non-Executive Independent	1	1

*Ms. Lakshmi Puri was inducted as a Member of CSR Committee w.e.f. May 12, 2022.

Your Company has also laid down a CSR Policy in order to execute its various CSR Initiatives.

Brief description of terms of reference

The CSR Committee shall, inter alia, be responsible for the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act.
- To recommend to the Board, the amount of expenditure to be incurred on CSR activities.
- To formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Policy.
- To review and monitor the CSR programs undertaken by the Company and spending on the CSR activities.
- To review the Impact Assessment Reports, if any, undertaken through independent agencies.
- To develop new areas for CSR activities, if required.
- To review and recommend to the Board, the annual report on CSR activities.
- To monitor the CSR Policy of the Company from time to time.
- To carry out all the activities as may be specified under the Act & rules related thereto, including statutory amendments from time to time.

BUSINESS RESPONSIBILITY & SUSTAINABILITY (BRS) COMMITTEE

The Listing Regulations mandates the top 1000 listed Companies by market capitalisation to provide Business Responsibility & Sustainability Report ('BRS 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 BRS Report is based on actions taken by the Company for the adoption of these principles:

i. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

ii. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

iii. Businesses should promote the wellbeing of all employees.

iv. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

v. Businesses should respect and promote human rights.

vi. Business should respect, protect, and make efforts to restore the environment.

vii. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

viii. Businesses should support inclusive growth and equitable development.

ix. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Board of Directors, at its meeting held on May 10, 2016, had constituted a 'Business Responsibility Committee' and at its meeting held on October 29, 2021 had renamed the Committee to 'Business Responsibility and Sustainability Committee' (BRS) in view of the enhanced roles of the Committee.

Composition of BRS Committee

As on March 31, 2023, the Committee comprised of 4 (Four) members. Mr. Onkar Kanwar acts as the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Meeting of BRS Committee and attendance of members during the year

During FY23, 1 (One) meeting of BRS Committee was held on May 12, 2022.

Name of Director	Designation	Category of Director	No. of meetings held during his tenure and attended	
			Held	Attended
Mr. Onkar Kanwar	Chairman	Non-Executive Non-Independent	1	1
Mr. Neeraj Kanwar	Member	Executive	1	1
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	1	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1	1

RISK MANAGEMENT COMMITTEE

In compliance with the Regulation 21 of the SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC). The Risk Management Committee consists of 7 (Seven) members, with majority of members being Directors of the Company.

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, that fosters business resilience. The risk assessment and mitigation procedures are periodically updated to the Board through the Audit Committee/ Risk Management Committee.

The Company has formed Internal Risk Committees (IRCs), which review risk registers for Asia Pacific Middle East Africa (APMEA) region including India, Europe region, United States (US) region and Corporate Functions headed by President (APMEA), President (Europe), Group Head (New Market & Channels) and Chief Financial Officer as Chairperson 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.

During FY23, 4 (Four) meetings of RMC were held on May 11, 2022, August 11, 2022, November 10, 2022 and January 27, 2023.

Name of Director/ Official	Designation	Category of Director/ Official	No. of meetings held during his tenure and attended	
			Held	Attended
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	4	4
Mr. Francesco Gori	Member	Non- Executive Non-Independent	4	4
Mr. Robert Steinmetz	Member	Non-Executive Non-Independent	4	4
Mr. Satish Sharma	Member	Executive	4	4
Mr. Vikram S. Mehta	Member	Non-Executive Independent	4	4
Mr. Benoit Rivallant	Member	President (Europe)	4	4
Mr. Gaurav Kumar	Member	Chief Financial Officer	4	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 including India, Europe, US Region and Corporate Functions.

4. GENERAL BODY MEETINGS

(a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution Passed
2021-22	July 11, 2022	03:00 PM	Through Video Conference	1) Continuation of Mr. Onkar Kanwar (DIN:00058921) as a Non-Executive Director designated as Chairman. 2) Remuneration of Mr. Satish Sharma (DIN:07527148), Whole-time Director. 3) Authorization for Private Placement of Non-Convertible Debentures.
2020-21	July 23, 2021	03:00 PM	Through Video Conference	1) Authorization for Private Placement of NCDs. 2) Remuneration of Mr. Satish Sharma, Whole-time Director.
2019-20	August 20, 2020	03:10 PM	Through Video Conference	Re-appointment of Gen. Bikram Singh (Retd.) (DIN:07259060) as an Independent Director.

(b) Resolution passed through Postal Ballot/ e-Voting:

The members of the Company on March 31, 2023 passed a Special Resolution through Postal Ballot (conducted through remote e-Voting only) for appointment of Dr. Jaimini Bhagwati (DIN: 07274047) as an Independent Director of the Company.

Voting Pattern of the resolution passed through Postal Ballot, is as follows:

Particulars	Remote e-Voting
Total number of Valid Votes	51,71,30,111
Votes cast in favour of the Resolution	51,62,06,056
Votes cast against the Resolution	9,24,055
Number of Invalid Votes	-

Procedure followed for Postal Ballot/e-Voting

a. In terms of the General Circular No.14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 03/2022 dated May 5, 2022 and General Circular No. 11/2022 dated December 28, 2022 (the 'MCA Circulars'), issued by the Ministry of Corporate Affairs, Government of India (the 'MCA'), the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility.

b. In accordance with the MCA Circulars, the Notices of Postal Ballot along with the instructions regarding e-Voting were sent only by e-mail to all those Shareholders.

c. The Members were informed vide the Postal Ballot Notice dated February 2, 2023 that they were required to give their assent for or dissent against the proposal through e-Voting facility which was kept open from March 2, 2023 (10:00 AM) to March 31, 2023 (5:00 PM).

d. 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.

e. After due scrutiny of e-Voting received up to the close of working hours as mentioned above, scrutinizer had submitted its final report on April 3, 2023. The result of the postal ballot/ e-Voting was declared on April 4, 2023.

f. 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.

5. DISCLOSURES & AFFIRMATIONS

(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.

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, 2023.

(b) ACCOUNTING POLICIES

There has not been any change in accounting policies of the Company during the year.

(c) CEO AND CFO CERTIFICATION

The Vice Chairman & Managing Director (CEO) and CFO have submitted certificate, in terms of Regulation 17(8) read with Part B of Schedule II of Listing Regulations, to the Board.

The Certificate is attached as **Annexure B** to the Corporate Governance Report.

(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 to 'Unclaimed Suspense Account' of the Company. The status of unclaimed shares as on March 31, 2023 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, 2022	18	3,904
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e. March 31, 2023	18	3,904

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 FY23, 13,862 shares held by aforesaid members, were transferred to the DEMAT Account of IEPFA constituted in accordance with the Rules, on September 23, 2022. As on March 31, 2023, 3,904 shares are appearing in the Apollo Tyres Ltd- Unclaimed suspense account.

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) MEANS OF COMMUNICATION

(i) Quarterly/ Annual Financial Results

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 Kerala Kaumudi (Regional Daily). The Quarterly/ Annual Financial Results are also available on the Company's website and Stock Exchange websites www.nseindia.com and www.bseindia.com.

(ii) Corporate announcements of material information

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 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), Circular No. 02/2021 (dated January 13, 2021), Circular No. 2/2022 (dated May 5, 2022) and Circular No. 11/2022 (dated December 28, 2022) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 (dated May

12, 2020), Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 (dated January 15, 2021), SEBI/HO/CFD/CMD2/CIR/P/2022/62 (dated May 13, 2022) and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 (dated January 5, 2023), directed the Companies to send the Annual Report by e-mail to all the Members of the Company except to those Members who request for hard copy. Therefore, the Annual Report for FY23 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 https://corporate.apollotyres.com/.

(iii) Stock Exchange Filings

- NSE Electronic Application Processing System (NEAPS) - is a web-based application designed by NSE for Corporates. All periodical filings, announcements 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.

(iv) SEBI Complaints Redress System (SCORES)

In addition to the investor complaints received from NSE, BSE, Registrar and Share Transfer Agents etc., 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.

(v) 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.

The transcript and video recording of the Analyst/ Investor Conference Call is posted on the website of the Company as well as filed with the stock exchanges where the securities of the Company are listed.

(vi) Designated email ID

The Company has a designated e-mail ID for investor services i.e investors@apollotyres.com.

(vii) Website

A separate dedicated section under 'Investors', on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/ half yearly results and other relevant information of interest to the investors / public.

(g) 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.

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 Stakeholders 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)	YES
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:-

(i) **Modified Opinion(s) in audit report**

The Company is in the regime of financial statements with unmodified audit opinion.

(ii) **Reporting of internal auditor**

The internal auditor is reporting directly to the Audit Committee.

(h) As on March 31, 2023, our shares were not suspended from trading.

6) GENERAL SHAREHOLDER INFORMATION

(a) Registered Office

3rd Floor,
Areekal Mansion,
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 Wednesday, August 2, 2023 at 3:00 PM (IST) through video conferencing. Notice of the ensuing AGM is separately provided along with the Annual Report.

(c) Financial Calendar for FY24

Quarter	Period ending	Date / Period
First quarter	June 30, 2023	On or before August 14, 2023
Second quarter/ half yearly	September 30, 2023	On or before November 14, 2023
Third quarter	December 31, 2023	On or before February 14, 2024
Fourth quarter/year	March 31, 2024	On or before May 30, 2024

(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) Dividend Payment

The Final Dividend of ₹4.00 per Equity Share and a Special Dividend of ₹0.50 per Equity Share, aggregating to ₹4.50 per Equity Share having face value of ₹1/- each for the FY23, 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.

(f) 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 transferred ₹82,67,052/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2014-15 to the said Fund on September 6, 2022.

(g) Listing at Stock Exchanges

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

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 FY24 has been paid to all the aforesaid stock exchanges.

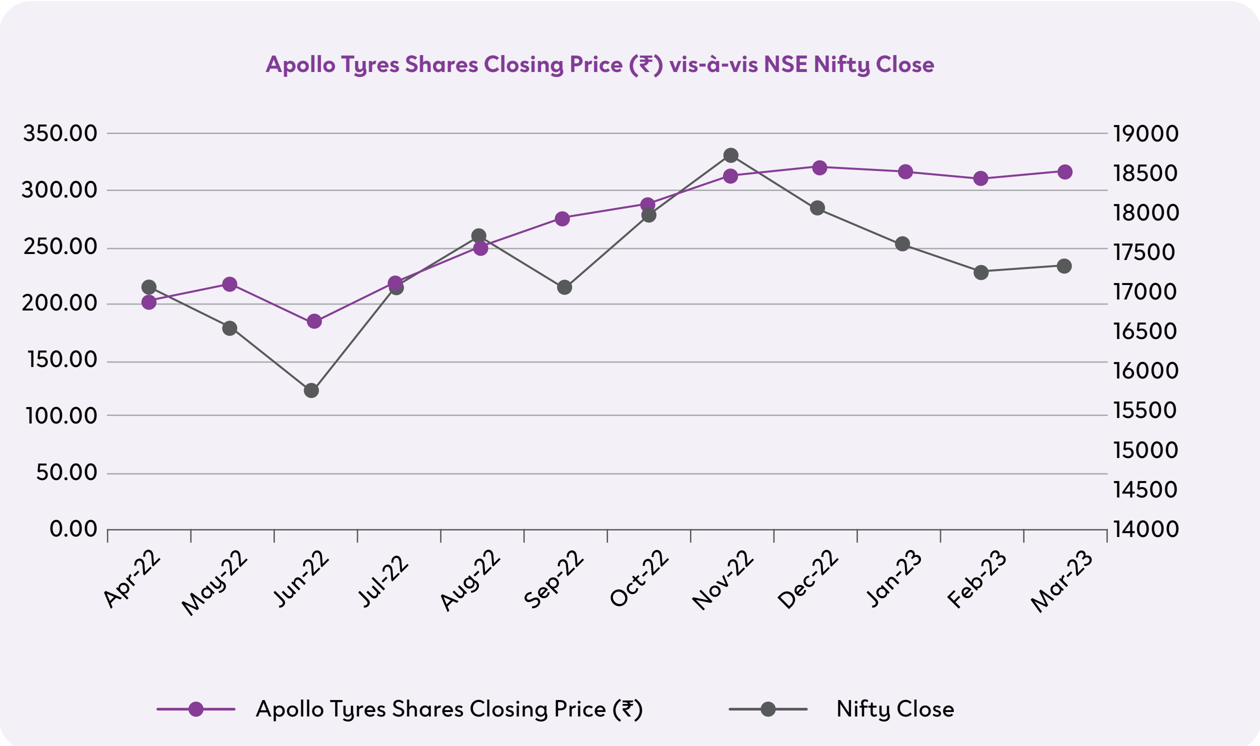
(h) Stock Code

BSE Ltd.	500877
National Stock Exchange of India Ltd.	APOLLOTYRE

(i) Stock Market Price Data for FY23

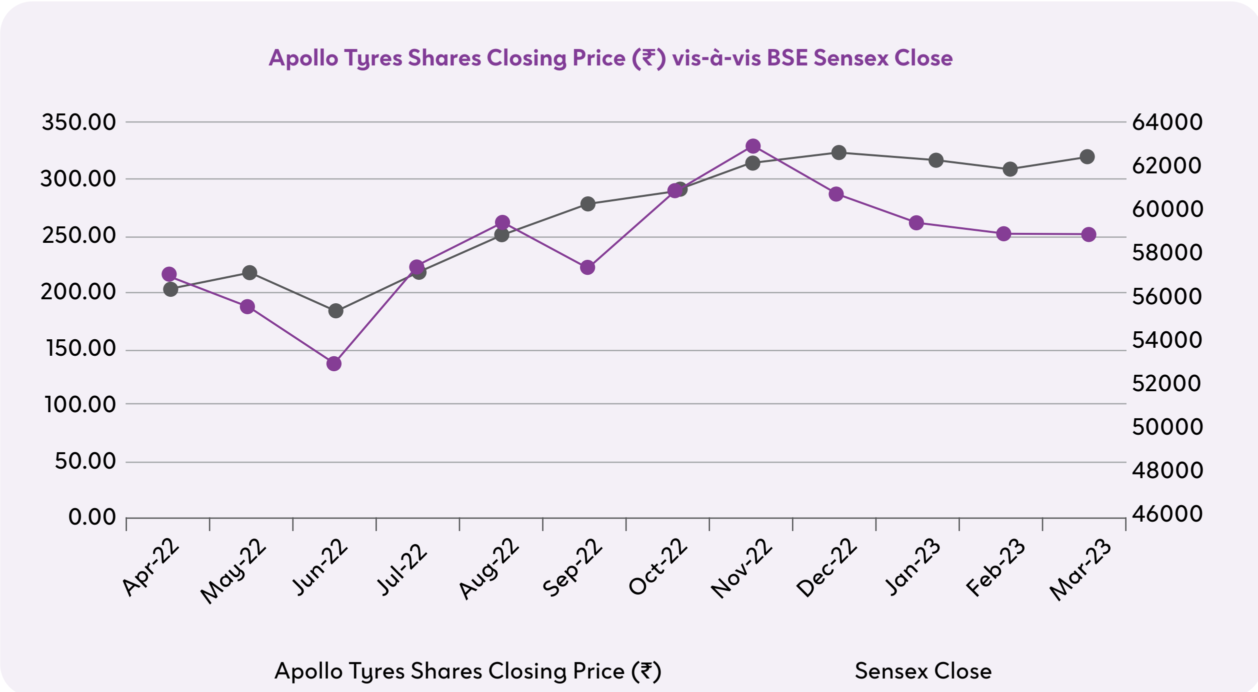
The Company's share price on NSE and Nifty Index

Month	NSE			Nifty Index	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2022	214.00	187.00	74.03	18,114.65	16,824.70
May, 2022	224.50	189.05	83.25	17,132.85	15,735.75
June, 2022	223.70	167.10	70.12	16,793.85	15,183.40
July, 2022	222.00	184.30	37.87	17,172.80	15,511.05
August, 2022	268.30	218.55	78.26	17,992.20	17,154.80
September, 2022	303.45	249.20	111.78	18,096.15	16,747.70
October, 2022	293.40	262.00	52.47	18,022.80	16,855.55
November, 2022	318.00	270.00	119.18	18,816.05	17,959.20
December, 2022	330.50	305.10	60.01	18,887.60	17,774.25
January, 2023	339.95	304.90	69.98	18,251.95	17,405.55
February, 2023	343.05	309.45	56.50	18,134.75	17,255.20
March, 2023	324.85	303.35	34.76	17,799.95	16,828.35



The Company's share price on BSE and Sensex

Month	BSE			SENSEX	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2022	215.00	187.00	4.15	60,845.10	56,009.07
May, 2022	224.35	189.20	4.48	57,184.21	52,632.48
June, 2022	224.85	167.15	3.94	56,432.65	50,921.22
July, 2022	221.85	184.30	2.17	57,619.27	52,094.25
August, 2022	268.25	219.50	3.49	60,411.20	57,367.47
September, 2022	303.40	249.15	7.26	60,676.12	56,147.23
October, 2022	293.45	262.25	4.95	60,786.70	56,683.40
November, 2022	318.00	270.05	5.89	63,303.01	60,425.47
December, 2022	330.50	302.05	2.59	63,583.07	59,754.10
January, 2023	339.50	304.85	2.98	61,343.96	58,699.20
February, 2023	343.00	309.70	2.41	61,682.25	58,795.97
March, 2023	324.75	303.35	1.37	60,498.48	57,084.91



(j) Shares Traded during April 1, 2022 to March 31, 2023

Particulars	BSE	NSE
No. of shares traded (in million)	45.69	845.20
Highest Share Price (in ₹)	343.00	343.05
Lowest Share Price (in ₹)	167.15	167.10
Closing Share Price (as on March 31, 2023)	319.85	319.90
Market Capitalisation (as on March 31, 2023) (₹ in million)	203,137.04	203,168.79

(k) 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.

(l) 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 yearly certificates from the Company Secretary in practice for due compliance relating to transmission, issues of duplicate share certificate, split of shares etc.

(m) Distribution of Shareholding

The following is the distribution of shareholding of equity shares of the Company as on March 31, 2023

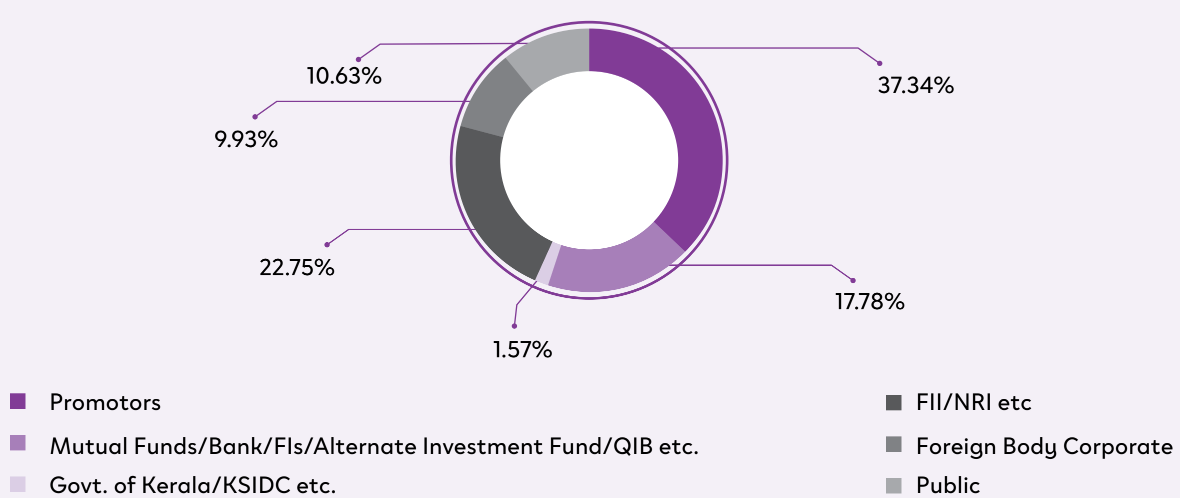
Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
Upto 5000	285,640	99.68	37,229,017	5.86
5001 - 10000	372	0.13	2,775,595	0.44
10001 - 20000	165	0.06	2,396,895	0.38
20001 - 30000	53	0.02	1,334,628	0.21
30001 - 40000	40	0.01	1,396,078	0.22
40001 - 50000	24	0.01	1,080,214	0.17
50001 – 100000	53	0.02	3,957,175	0.62
100001 and above	208	0.07	584,931,344	92.10
Grand Total	**286,555**	**100.00**	**635,100,946**	**100.00**

The Promoter and Promoter group hold 237.17 million shares constituting 37.34% of the share capital of the Company as on March 31, 2023.

Categories of shareholders as on March 31, 2023

Category	No. of shares	%age
Promoters	237,165,403	37.34
Mutual Funds/Bank/FIs/Alternate Investment Fund/QIB Etc.	112,882,363	17.78
Govt. of Kerala/KSIDC etc.	10,001,812	1.57
FII/NRI etc.	144,486,738	22.75
Foreign Body Corporate	63,050,966	9.93
Public	67,513,664	10.63
Total	**635,100,946**	**100.00**

Category of shareholders



(n) 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.

(o) 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, 2023, 98.81% 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.

(p) Share Transfer/ Demat Registry work

All permitted share transfers/ Transmission/ demat are being processed by the following Registrar and Transfer Agent:-

KFin Technologies Limited

Selenium, Plot No. 31 & 32, Tower-B,
Serilingampally, Nanakramguda,
Financial District, Hyderabad-500032,
State of Telangana
Tel No. +91 40 67162222; Fax No. +91 40 23001153
Toll Free Number: 1800 309 4001
Email: einward.ris@kfintech.com
Website: https://kfintech.com/

(q) 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 Limited

Selenium, Plot No. 31 & 32, Tower-B,
Serilingampally, Nanakramguda,
Financial District, Hyderabad-500032,
State of Telangana
Tel No. +91 40 67162222; Fax No. +91 40 23001153
Toll Free Number: 1800 309 4001
Email: einward.ris@kfintech.com
Website: https://kfintech.com/

(r) 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.

(s) Participation & Voting at AGM

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 02/2021, 03/2022 and 11/2022 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, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 issued by SEBI, the 50th 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 50th AGM.

(t) 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,
   Chitoor 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 Limited

Selenium, Plot No. 31 & 32, Tower-B,
Serilingampally, Nanakramguda,
Financial District, Hyderabad-500032,
State of Telangana
Tel No. +91 40 67162222; Fax No. +91 40 23001153
Toll Free Number: 1800 309 4001
Email: einward.ris@kfintech.com
Website: https://kfintech.com/

(w) Commodity price risk or foreign exchange risk and hedging activities during FY23

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.

Exposure of the Company to various commodities:

Commodity Name	Exposure in ₹ towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Natural Rubber	₹ 3,306 Crores	1,87,609 MT	Nil	Nil	Nil	Nil	Nil

*This data is based on NR Consumption as per YMR 48

Sourcing of Natural Rubber is managed through a robust process of Supplier Selection, continuous market scanning, Regular Supplier Assessment & Vendor Development initiatives. The Company follows a broad base diversified Vendor Sourcing Policy which enables it to minimise risks in supply chain. There exists a fair balance of regions and locations of suppliers in its portfolio. Development of existing and new supply partners is carried through systematic approach using tools such as audits and regular interaction. The Company uses a healthy combination of Contract Purchases and Open market Buying to meet its Production requirements.

(x) Loans and advances in the nature of loans to firms / companies in which Directors are interested

Please refer details under disclosure of related party transactions in notes forming part of the financial statements.

(y) Outstanding GDRS / ADRS / warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2023, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

7) ADDITIONAL INFORMATION

(a) Investor Relations Section

The Investors Relations Section is located at the Corporate Office of the Company.

Contact person	:	Ms. Seema Thapar, Company Secretary & Compliance Officer
Time	:	10:00 AM to 6:00 PM on all working days of the Company (except Saturdays and Sundays)
Tel No.	:	+91 124 2721000
Email	:	investors@apollotyres.com

(b) Bankers

Axis Bank Ltd.

Bank of India

BNP Paribas

Citibank N.A.

Federal Bank

HDFC Bank Ltd.

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 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 January 6, 2023, CRISIL has reaffirmed the following rating:

- Long-Term Rating: CRISIL AA+/Stable (Includes Loan-Term Loan, Non-Convertible Debentures, 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 1, 2023, India Ratings and Research (Ind-Ra) has reaffirmed the following rating:

- Long-Term Rating: IND AA+/Stable (Non-Convertible Debentures)
- Short-Term Rating: IND A1+ (Commercial Paper)

(d) Details of Utilisation of funds raised through NCDs

Particulars of the funds raised through NCDs	(₹ in million)
Reimbursement of capex	5,000

(e) Auditors

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants.

(f) 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, 2022
Mr.N.P.Sukumaran (M No.4503) Apartment No.311, 4th Floor, D.D.Vyapar Bhawan, K.P.Vallon Road, Kadavanthra P O, Kochi - 682 020(Kerala) E-mail : npgco@gmail.com	Filing date: September 24, 2022

(g) 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, President/ Chiefs, Vice President/ Group Heads, Heads and such other employees of the Company and others who are expected to have access to unpublished price sensitive information.

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.

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.

During FY23, the Company had conducted several awareness sessions on insider trading for the Designated persons.

(h) Code of Practices and Procedures for Fair Disclosure

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, 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.

(i) 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 for ensuring compliances related to this Code of Conduct.

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, 2023.

NEERAJ KANWAR

Vice Chairman & Managing Director

(j) 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 for all the employees for successful implementation of the Code.

(k) Whistle Blower Policy/ Vigil Mechanism

Apollo Tyres Ltd believes in the conduct of its business affairs 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 FY23.

(l) 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 harrassment during FY23:

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.

The Company conduct, from time to time, the awareness sessions on prevention of sexual harassment at workplace for its employees.

(m) 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.

(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) 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/investors/corporate-governance/

The dividend declared in last five years are as follows:

Period	Dividend (%)
FY23*	450
FY22	325
FY21	350
FY20	300
FY19	325

* The Board of Directors at its meeting held on May 9, 2023 had recommended the Final Dividend of ₹4.00 per Equity Share and a Special Dividend of ₹0.50 per Equity Share on occasion of 50th Annual General Meeting (AGM) of the Company, aggregating to ₹4.50 per Equity Share having face value of ₹1/- each.

(p) 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.

(q) 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.

(r) Total fee paid to Statutory Auditors on consolidated basis

An amount of ₹49.64 million was paid/ payable to Statutory Auditors (excluding out of pocket expenses) for all services provided to the Company and its Subsidiaries during FY23 on a consolidated basis, to the Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

(s) Name of the Debenture Trustee

Vistra ITCL (India) Limited

The IL&FS Financial Centre,
Plot C- 22, G Block, 7th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel No. +91 22 26533535
Fax No. +91 22 26533297

(u) 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.

(v) 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.

(t) Web link for various documents

The weblink of the following documents/ information are available on the website of the Company, i.e. https://corporate.apollotyres.com/:-

Particulars	Web link
Familiarization programme for Independent Directors	https://corporate.apollotyres.com/investors/corporate-governance/
Policy for determining 'material' subsidiaries	https://corporate.apollotyres.com/investors/corporate-governance/
Policy on Related Party Transactions	https://corporate.apollotyres.com/investors/corporate-governance/
CSR policy	https://corporate.apollotyres.com/investors/corporate-governance/
Code of Conduct for Directors and Senior Management	https://corporate.apollotyres.com/investors/corporate-governance/
Whistle Blower Policy/ Vigil Mechanism	https://corporate.apollotyres.com/investors/corporate-governance/
Policy on preservation and archival of documents	https://corporate.apollotyres.com/investors/corporate-governance/
Policy on determination of materiality of events or information	https://corporate.apollotyres.com/investors/corporate-governance/
Code of Practices and Procedures for Fair Disclosure of UPSI	https://corporate.apollotyres.com/investors/corporate-governance/

For and on behalf of the
Board of Directors

Place: Amsterdam
Date: May 9, 2023

ONKAR KANWAR
Chairman
DIN: 00058921

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Apollo Tyres Limited

1. The Corporate Governance Report prepared by Apollo Tyres Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2022 to March 31, 2023:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee

      (g) Business Responsibility and Sustainability (BRS) Committee;

      (h) Corporate Social Responsibility (CSR) Committee;

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report 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.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXM2703

Place of Signature: Gurugram
Date: May 09, 2023

Annexure-A

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

3rd 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, 3rd 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) 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 ending on March 31, 2023, 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	Initial Date of Appointment	Date of Appointment in Current Term (incl. date of re-appointment)
1.	00058921	Mr. Onkar Kanwar	03/06/1982	-
2.	00058951	Mr. Neeraj Singh Kanwar	28/05/1999	-
3.	00010630	Mr. Akshaykumar Narendrasinhji Chudasama	11/11/2013	06/08/2019
4.	00041197	Mr. Vikram Singh Mehta	06/02/2013	06/08/2019
5.	00058859	Mr. Sunam Sarkar	28/01/2004	-
6.	00178792	Mr. Robert Friedrich Johannes Adolf Steinmetz	10/09/1999	-
7.	00013580	Ms. Pallavi Shardul Shroff	15/05/2014	15/05/2019
8.	07259060	Mr. Bikram Singh	11/08/2015	11/08/2020
9.	07413105	Mr. Francesco Gori	09/02/2016	-
10.	00041867	Mr. Vinod Rai	09/02/2016	09/02/2021
11.	07527148	Mr. Satish Sharma	01/04/2019	-
12.	00935998	Mr. Francesco Crispino	03/07/2020	-
13.	01035771	Mr. Vishal Kashyap Mahadevia	21/08/2020	-
14.	09329003	Ms. Lakshmi Puri	29/10/2021	-
15.	07274047	Dr. Jaimini Bhagwati	02/02/2023	-

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

Ankit Singhi
Partner
FCS No.: 11685
C P No.: 16274
Peer Review No.: 1498/2021
UDIN: F011685E000281438

Date: 09.05.2023
Place: New Delhi

Annexure-B

CEO AND CFO CERTIFICATE

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors
Apollo Tyres Ltd
No. 7, Apollo House,
Institutional Area, Sector- 32,
Gurugram, 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, 2023 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. 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

(Neeraj Kanwar)
Vice Chairman & Managing Director

(Gaurav Kumar)
Chief Financial Officer

Date: April 28, 2023

Financial Statements

Standalone

Consolidated

Independent Auditor's Report

To the Members of Apollo Tyres Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Apollo Tyres Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone 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 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Provision for sales related obligations *(as described in Note B7, B14 and B20 of the standalone financial statements)*	
The Company provides various incentives, discounts and warranty to its customers. These sales related obligations require accruals based on the commitments, established trade practices, historical trends and other assumptions which are inherently judgmental including those relating to outflow of resources. The accruals amount to ₹ 6,585 Million as at March 31, 2023. Considering the materiality of above matter to the financial statements, complexities and significant judgement involved in making the above estimate, we have identified this as a key audit matter for the current year audit	Our audit procedures included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of accounting of these obligations. • Obtained from the management a list of documents supporting commitments made to the customers; • Tested on sample basis expenses for obligations recorded during the year. • Evaluated reasonableness of year end accrual through testing of the underlying data and assumptions involved on a sample basis and assessed the relevance and reliability of underlying data. • Assessed the adequacy of disclosures made in the standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Tax litigations and claims (as described in Note C12 of the standalone financial statements)	
The Company has many outstanding tax related litigations and claims with tax authorities. Evaluation of the outcome of these matters requires significant judgement by the management given the complexities involved, including estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of the ranges of potential financial settlement. Accordingly, we have identified this as a key audit matter for the current year audit.	Our audit procedures included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of taxation related demands, proceedings, investigations and related provisions. • Obtained a list of taxation related litigations and claims from the management and identified material litigations/claims. • In relation to such identified material litigations/ claims, involved tax specialists to perform an assessment of the conclusions reached by management. • Obtained independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and demands, wherever involved. • Evaluated the reasonableness of management's assumptions, estimates and judgments by testing the underlying documents and assessments shared by the management for material litigation matters. • Assessed the adequacy of disclosures made in the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report on Corporate Governance, Business Responsibility and Sustainability Report, Management Discussion and Analysis 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 such other information is materially inconsistent with the 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 for the Standalone Financial Statements

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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 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

The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 12, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report 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 purposes of our audit;

   (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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive

Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note C12 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note C9 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note C20 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXN9364
Place: Gurugram
Date: May 9, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Apollo Tyres Limited (the "Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note B1 to the financial statements held in the name of the Company except freehold land acquired through the agreement to sale executed between the Company and Andhra Pradesh government dated March 13, 2018 and July 26, 2019.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure of such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(ii) (b) As disclosed in note B13 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) (a) During the year the Company has provided advances in the nature of loans to employees and stood guarantee to company as follows:

	Guarantees (₹ million)	**Advances in nature of loans** (₹ million)
Aggregate amount of loan granted/ provided during the year		
- Subsidiaries	1,471	Nil
- Employees	Nil	21
Balance outstanding as at balance sheet date in respect of		
- Subsidiaries	1,471	Nil
- Employees	Nil	32

During the year the Company has not provided loans or provided security to companies, firms, Limited Liability Partnerships or any other parties.

(iii) (b) During the year the guarantees provided and the terms and conditions of the grant of all advances in the nature of loans to employees and guarantees to companies are not prejudicial to the Company's interest. The Company has not made investments and granted any loans during the year.

(iii) (c) The Company has granted advance in the nature of loans during the year to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted any other loans.

(iii) (d) There are no amounts of advances in the nature of loans granted to employees which are overdue for more than ninety days. The Company has not granted any other loans.

(iii) (e) There were no advance in the nature of loan granted to employees which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. The Company has not granted any other loans.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 section 148(1) of the Companies Act, 2013, related to the manufacture Tyres & tubes, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (₹ million)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act applicable to various states	Sales tax	65.23	1992-93 to 2022-23	Various appellate authorities/ Revenue board/ High Court
Central Excise Act, 1944/ Customs Act, 1962	Excise duty, Custom duty and additional excise duty	588.66	2002-03 to 2017-18	Various appellate authorities/ Supreme Court
Finance Act, 1994	Service Tax	507.76	2004-05 to 2017-18	Various appellate authorities
Income-tax Act, 1961	Income tax	1,179.53	1990-91 to 2017-18	Various appellate authorities/ High Court

* The amounts are net of deposits made by the Company under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained.

(ix) (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has utilized the monies raised during the year by way of initial public offer / further public offer (including debt instruments) in the nature of Non-Convertible Debenture for the purposes for which they were raised.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi) (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note C26 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note C16 to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note C16 to the financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXN9364
Place: Gurugram
Date: May 9, 2023

Annexure '2' to the Independent Auditor's Report of even date on the Standalone Financial Statements of Apollo Tyres Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Apollo Tyres Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 its 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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.

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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone financial statements includes 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXN9364
Place: Gurugram
Date: May 9, 2023

Balance Sheet

as at March 31, 2023

₹ Million

	Notes	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	B1	113,012.02	112,462.68
(b) Capital work-in-progress	C25	1,159.22	5,418.53
(c) Right of use assets	C4	4,665.11	5,391.62
(d) Intangible assets	B1	462.08	439.00
(e) Intangible assets under development	C25	185.73	61.83
(f) Financial assets			
i. Investments	B2	24,213.61	24,146.60
ii. Other financial assets	B3	4,019.87	3,828.55
(g) Other non-current assets	B4	577.73	336.11
Total non-current assets		**148,295.37**	**152,084.92**
2. Current assets			
(a) Inventories	B5	22,768.68	24,638.92
(b) Financial assets			
i. Investments	B6	4,016.94	4,506.06
ii. Trade receivables	B7	15,883.94	15,423.01
iii. Cash and cash equivalents	B8	5,004.40	3,154.06
iv. Bank balances other than (iii) above	B9	102.21	2,100.20
v. Other financial assets	B10	2,365.44	2,140.01
(c) Other current assets	B11	2,709.46	1,641.32
Total current assets		**52,851.07**	**53,603.58**
TOTAL ASSETS (1+2)		**201,146.44**	**205,688.50**
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Share capital	B12	635.10	635.10
(b) Other equity	B12 (a)	98,363.93	94,549.64
Total equity		**98,999.03**	**95,184.74**
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	B13	31,748.13	35,310.10
ii. Lease liability	C4	4,006.33	4,666.99
(b) Provisions	B14	492.96	490.44
(c) Deferred tax liabilities (net)	C6	7,955.36	7,053.34
(d) Other non-current liabilities	B15	2,609.70	3,957.37
Total non-current liabilities		**46,812.48**	**51,478.24**
3. Current Liabilities			
(a) Financial liabilities			
i. Borrowings	B16	9,006.46	8,552.79
ii. Lease liability	C4	931.02	849.36
iii. Trade payables	B17		
- Total outstanding dues of micro enterprises and small enterprises		306.28	337.63
- Total outstanding dues of creditors other than micro enterprises and small enterprises		23,984.80	27,505.50
iv. Other financial liabilities	B18	4,006.50	4,634.99
(b) Other current liabilities	B19	14,819.28	14,753.62
(c) Provisions	B20	2,072.35	1,947.76
(d) Current tax liabilities (net)	B21	208.24	443.87
Total current liabilities		**55,334.93**	**59,025.52**
TOTAL EQUITY AND LIABILITIES (1+2+3)		**201,146.44**	**205,688.50**

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & CO. LLP
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

₹ Million

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Revenue from operations:			
Sale of products	C27	168,899.09	143,067.87
Other operating income	B22	4,111.10	3,426.17
		173,010.19	146,494.04
2. Other income	B23	751.26	1,268.96
3. Total income (1 +2)		173,761.45	147,763.00
4. Expenses :			
(a) Cost of materials consumed	B24A	106,937.72	94,937.71
(b) Purchase of stock-in-trade	B24B	9,628.17	8,465.86
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	B25	455.54	(3,484.45)
(d) Employee benefits expense	B24C	10,259.15	10,240.18
(e) Finance costs	B26	4,672.28	3,821.56
(f) Depreciation and amortisation expense	B1	9,070.50	8,239.13
(g) Other expenses	B24D	24,620.42	22,026.81
Total expenses		165,643.78	144,246.80
5. Profit before exceptional items and tax (3 - 4)		8,117.67	3,516.20
6. Exceptional items	C28	-	12.68
7. Profit before tax (5 - 6)		8,117.67	3,503.52
8. Tax expense :	C6		
(a) Current tax expense		1,477.15	611.59
(b) Deferred tax		853.14	281.29
Total		2,330.29	892.88
9. Profit for the year (7 - 8)		5,787.38	2,610.64
10. Other comprehensive income			
I i. Items that will not be reclassified to profit or loss			
a. Re-measurement gain/ (loss) on defined benefit plans		76.37	(41.71)
ii. Income tax		(26.69)	14.58
		49.68	(27.13)
II i. Items that will be reclassified to profit or loss			
a. Effective portion of gain/(loss) on designated portion of hedging instruments in cash flow hedge		63.50	151.36
ii. Income tax		(22.19)	(52.89)
		41.31	98.47
Other comprehensive (loss) (I + II)		90.99	71.34
Total comprehensive income for the year (9 + 10)		5,878.37	2,681.98
Earnings per share (of ₹ 1 each)	C29		
(a) Basic (₹)		9.11	4.11
(b) Diluted (₹)		9.11	4.11

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & CO. LLP
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

₹ Million

Particulars	Amount
Balance as at March 31, 2021	**635.10**
Changes during the year (refer note B12)	-
Balance as at March 31, 2022	**635.10**
Changes during the year (refer note B12)	-
Balance as at March 31, 2023	**635.10**

B. Other Equity

₹ Million

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Capital reserve on AMHPL merger	Debenture redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forefeiture of shares	Retained earnings	Effective portion of cash flow hedge	Revaluation surplus	Total
Balance as at 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**
Profit for the year								2,610.64			2,610.64
Effective portion of cash flow hedge (net)									98.47		98.47
Remeasurements of the defined benefit plans (net)								(27.13)			(27.13)
Total comprehensive income for the year								**2,583.51**	**98.47**		**2,681.98**
Transaction with owners in their capacity as owners											
Payment of dividend (₹ 3.50 per share)								(2,222.85)			(2,222.85)
Transfer from retained earnings		1,000.00						(1,000.00)			-
Balance as at March 31, 2022	**31,317.67**	**17,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**43,699.81**	**1.16**	**31.22**	**94,549.64**

Statement of Changes in Equity

for the year ended March 31, 2023

B. Other Equity

₹ Million

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Capital reserve on AMHPL merger	Debenture redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forefeiture of shares	Retained earnings	Effective portion of cash flow hedge	Revaluation surplus	Total
Profit for the Year								5,787.38			5,787.38
Effective portion of cash flow hedge (net)									41.31		41.31
Remeasurements of the defined benefit plans (net)								49.68			49.68
Total comprehensive income for the year								**5,837.06**	**41.31**		**5,878.37**
Transaction with owners in their capacity as owners											
Payment of dividend (₹ 3.25 per share)								(2,064.08)			(2,064.08)
Balance as at March 31, 2023	**31,317.67**	**17,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**47,472.79**	**42.47**	**31.22**	**98,363.93**

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Standalone Cash Flow Statement

for the year ended March 31, 2023

₹ Million

	For the year ended March 31, 2023 AUDITED		For the year ended March 31, 2022 AUDITED	
A CASH FLOW FROM OPERATING ACTIVITIES				
(i) Profit before tax		8,117.67		3,503.52
Add: **Adjustments for:**				
Depreciation and amortisation expenses	9,070.50		8,239.13	
Profit on sale of property, plant and equipment (net)	(37.02)		(81.39)	
Gain from current investments	(55.19)		(24.15)	
Unwinding of deferred income	(2,266.57)		(1,540.68)	
Finance cost	4,672.28		3,821.56	
Interest income	(222.73)		(396.60)	
Unrealised loss / (gain) on foreign exchange fluctuations	501.35	11,662.62	(132.66)	**9,885.21**
(ii) Operating profit before working capital changes		19,780.29		**13,388.73**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Inventories	1,870.24		(3,872.92)	
Trade receivables	(524.95)		(3,596.88)	
Other financial assets (current and non current)	(427.91)		1,328.58	
Other assets (current and non current)	(1,070.43)	(153.05)	761.04	(5,380.18)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(3,585.62)		8,617.08	
Other financial liabilities (current and non current)	76.04		(470.32)	
Other liabilities (current and non current)	705.01		852.48	
Provisions (current and non-current)	203.48	(2,601.09)	20.08	9,019.32
(iii) Cash generated from operations		17,026.15		17,027.87
Less: Direct taxes paid (net of refund)		1,712.78		875.59
Net cash generated from operating activities		**15,313.37**		**16,152.28**
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(5,230.91)		(15,598.87)	
Proceeds from sale of property, plant and equipment	140.01		231.97	
Maturity of / (Investments in) mutual funds, net	544.31		(3,581.23)	
Non-current investment (made)/ matured, net	(2.18)		0.77	
Investment in Subsidiaries	(64.83)		(49.00)	
Maturity of fixed deposits, net	2,000.00		9,650.00	
Interest received	297.39		475.28	
Net cash used in investing activities		**(2,316.21)**		**(8,871.08)**
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	5,000.00		14,000.00	
(Repayment) of non-current borrowings	(6,555.20)		(14,599.08)	
(Repayment of) / proceeds from current borrowings (net) (excluding current maturities of non-current borrowings)	(2,000.00)		1,000.00	
Payment of dividend	(2,064.08)		(2,222.85)	
Payment of principal portion of lease liabilities	(948.99)		(885.11)	
Payment of interest on lease liabilities	(414.32)		(455.53)	
Finance charges paid	(4,169.81)		(3,417.77)	
Net cash used in financing activities		**(11,152.40)**		**(6,580.34)**

Standalone Cash Flow Statement

for the year ended March 31, 2023

₹ Million

	For the year ended March 31, 2023 AUDITED	For the year ended March 31, 2022 AUDITED
Net increase in cash and cash equivalents	**1,844.76**	**700.86**
Cash and cash equivalents as at the beginning of the year	3,154.06	2,258.12
Less: Cash credits as at the beginning of the year	4.18	4.85
Adjusted cash and cash equivalents as at beginning of the year	**3,149.88**	**2,253.27**
Cash and cash equivalents as at the end of the year	5,004.40	3,154.06
Less: Cash credits as at the end of the year	9.76	4.18
Adjusted cash and cash equivalents as at the end of the year	**4,994.64**	**3,149.88**

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

See accompanying notes forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

A. Notes

Forming Part of the Financial Statements

1 Corporate information

The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is Apollo Tyres ltd, 3rd Floor, Areekal mansion, Panampilly Nagar, Kochi 682036, India.

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 Tyres (NL) B.V and Apollo Tyres (Hungary) Kft. have a manufacturing plant in the Netherlands and Hungary respectively. It also has sales and marketing subsidiaries across the globe.

2 RECENT ACCOUNTING PRONOUNCEMENTS

2.1 Amended standards adopted by the Company

(i) Reference to the Conceptual Framework – amendment to Ind AS 103

The amendment replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendment also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendment also adds a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. This amendment had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendment that arose during the period.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – amendment to Ind AS 16

The amendment modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendment is effective for annual reporting periods beginning on or after 1 April 2022. This amendment had no impact on the consolidated financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

This amendment had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments which were covered by amendment.

(iv) Onerous Contracts – Costs of Fulfilling a Contract – amendment to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendment specifies that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly

A. Notes
Forming Part of the Financial Statements

related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

2.2 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - amendment to Ind AS 8

The amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendment is effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendment is not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - amendment to Ind AS 1

The amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendment has been made in Ind AS 107. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendment to Ind AS 12

The amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendment has been made in Ind AS 101. The amendment to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

This amendment is likely to have an impact on the Company's financial statement which is currently being assessed by the management. Any necessary adjustment required shall be accounted for in the next period financial statements.

3 Basis of accounting and preparation of financial statements

3.1 Statement of Compliance

The financial statements have been prepared to comply in all respects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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, 2023 were authorised and approved for issue by the Board of Directors on May 09, 2023.

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. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

A. Notes
Forming Part of the Financial Statements

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, 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The significant 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

A. Notes
Forming Part of the Financial Statements

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 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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 recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A. Notes
Forming Part of the Financial Statements

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.6 Property, plant and equipment ('PPE')

Property, plant and equipment 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.

For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 also capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure meets the recognition criteria.

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.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

The estimated useful life considered for the assets are as under.

Category of assets	Number 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

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.

* Leasehold improvements included in Building are amortised over their period of lease or useful life, whichever is lower.

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

A. Notes
Forming Part of the Financial Statements

expenditure is added to the cost of the asset. Internally generated intangibles are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The intangible assets are amortized over their respective 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 is reviewed at the end of each financial year and the changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, which are treated as changes in accounting estimates

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	Number 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 or services to customers in exchange for those goods or services. The relevant point in time or period of time is the transfer of control of the goods or services (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. Variable consideration includes various forms of sales related obligations like volume discounts, price concessions, incentives, etc. on the goods sold or services rendered to its customers, dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligation are deemed to have been met when the control of goods or services transferred to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods or services, the Company considers the effects of variable consideration, the existence of significant financing components, if any.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 3.19 Financial Instruments in accounting policies.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

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 an accrual basis in accordance with the substance of the relevant agreement.

A. Notes

Forming Part of the Financial Statements

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.

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

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 directly recognised 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.

The obligations 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 and subsidies 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 which is disclosed as investment promotion subsidy receivable and transferred to the Statement of Profit and Loss on a systematic basis over the expected useful life of the related assets.

Government grants and subsidies related to the income are deferred which is disclosed as deferred revenue arising from government grant in the Balance Sheet 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 and disclosed under other operating income.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

3.12 Foreign currency transactions and translations

The Company's financial statements are presented in INR which is also the Company's functional currency. 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.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange

A. Notes
Forming Part of the Financial Statements

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.

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.

3.13 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.14 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 and interest 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.

3.15 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.

A. Notes

Forming Part of the Financial Statements

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.

3.16 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.

3.17 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.

A. Notes
Forming Part of the Financial Statements

3.18 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. However, trade receivable that do not contain a significant financing component are measured at transaction price. 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.

3.19 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.

3.19.1 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

A. Notes

Forming Part of the Financial Statements

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 the part of cost of the investment and the amount of dividend can be measured reliably.

3.19.2 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 the portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if a 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.

A. Notes
Forming Part of the Financial Statements

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.19.3 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 Financial liabilities and equity instruments

3.20.1 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.

3.20.2 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.

3.20.3 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.

3.20.3.1 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. Notes
Forming Part of the Financial Statements

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.

3.20.3.2 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.

In respect to the purchase of raw material by the Company from certain vendors, the payments are made to the respective banks at the request of the vendors. Accordingly, in compliance with the provisions of Ind AS 109, such payables to banks are disclosed as Trade payables and are subsequently measured at amortised cost using the effective interest method. Interest borne by the Company on such arrangements is disclosed as finance cost.

3.20.3.3 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.

3.20.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they

A. Notes
Forming Part of the Financial Statements

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.

3.21 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.

3.22 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 the statement of profit and 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 the 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 statement of profit and 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 are 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 the 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 for 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.

A. Notes

Forming Part of the Financial Statements

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 the forward element of the 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.

3.23 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) 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.

3.24 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.

3.25 Critical accounting judgments 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 financial statements represent as accurate an outlook as possible for the Company. These judgments 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, tangible and intangible assets (lives, residual values and impairment), deferred tax assets (including MAT credit) and liabilities, sales related obligations covering discounts and incentives, contingencies in relation to tax litigation matters and valuation of financial instruments.

B. Notes

Forming Part of the Financial Statements

B 1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS AT MARCH 31, 2023

Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	Depreciation / amortisation expense	Eliminated on disposal of assets	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A. Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	144.64	528.30	-	672.94	-	-	-	-	672.94	144.64
Buildings	24,505.42	758.41	21.11	25,242.72	5,299.30	940.36	3.43	6,236.23	19,006.49	19,206.12
Plant and equipment *	127,422.05	5,985.07	687.45	132,719.67	38,043.73	6,037.15	679.94	43,400.94	89,318.73	89,378.32
Electrical installations	4,260.32	451.18	11.27	4,700.23	2,171.67	324.20	11.27	2,484.60	2,215.63	2,088.65
Furniture and fixtures	2,633.70	312.87	0.78	2,945.79	1,932.88	205.55	0.76	2,137.67	808.12	700.82
Vehicles	1,164.61	237.74	204.15	1,198.20	436.30	153.42	126.37	463.35	734.85	728.31
Office equipment	899.87	194.91	0.02	1,094.76	684.05	155.47	0.02	839.50	255.26	215.82
Total tangible assets	**161,030.61**	**8,468.48**	**924.78**	**168,574.31**	**48,567.93**	**7,816.15**	**821.79**	**55,562.29**	**113,012.02**	**112,462.68**
B. Intangible assets:										
Computer software	1,232.64	180.92	-	1,413.56	793.64	157.84	-	951.48	462.08	439.00
TOTAL (A + B)	**162,263.25**	**8,649.40**	**924.78**	**169,987.87**	**49,361.57**	**7,973.99**	**821.79**	**56,513.77**	**113,474.10**	**112,901.68**

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS AT MARCH 31, 2022

₹ Million

Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	Depreciation / amortisation expense	Eliminated on disposal of assets	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
A Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	144.64	-	-	144.64	-	-	-	-	144.64	144.64
Buildings	22,204.31	2,417.39	116.28	24,505.42	4,442.59	877.02	20.31	5,299.30	19,206.12	17,761.72
Plant and equipment *	108,122.33	19,420.78	121.06	127,422.05	32,801.97	5,348.72	106.96	38,043.73	89,378.32	75,320.36
Electrical installations	3,692.21	569.16	1.05	4,260.32	1,869.51	303.21	1.05	2,171.67	2,088.65	1,822.70
Furniture and fixtures	2,366.75	274.99	8.04	2,633.70	1,724.74	216.18	8.04	1,932.88	700.82	642.01
Vehicles	952.44	361.90	149.73	1,164.61	413.14	132.38	109.22	436.30	728.31	539.30
Office equipment	874.01	28.33	2.47	899.87	553.37	133.15	2.47	684.05	215.82	320.64
Total tangible assets	**138,356.69**	**23,072.55**	**398.63**	**161,030.61**	**41,805.32**	**7,010.66**	**248.05**	**48,567.93**	**112,462.68**	**96,551.37**
B Intangible assets:										
Computer software	1,033.39	199.25	-	1,232.64	657.44	136.20	-	793.64	439.00	375.95
TOTAL (A + B)	**139,390.08**	**23,271.80**	**398.63**	**162,263.25**	**42,462.76**	**7,146.86**	**248.05**	**49,361.57**	**112,901.68**	**96,927.32**

B. Notes

Forming Part of the Financial Statements

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS AT MARCH 31, 2022 (Contd..)

DEPRECIATION AND AMORTISATION EXPENSE

₹ Million

	Year ended March 31, 2023	Year ended March 31, 2022
Property, plant and equipment	7,816.15	7,010.66
Right-to-use assets (refer note C4)	1,096.51	1,092.27
Other intangible assets	157.84	136.20
Total	**9,070.50**	**8,239.13**

* Plant and equipment include jointly owned assets with gross book value of ₹ **311.28 Million** (₹ 311.28 Million) and net book value of ₹ **188.01 Million** (₹ 200.55 Million) which represents 50% ownership in those assets.

(a) Includes borrowing cost capitalised to the extent of ₹ **214.50 Million** (₹ 442.12 Million) including ₹ **116.95 Million** (Nil) capitalised from CWIP of previous year.

(b) Buildings include buildings constructed on leasehold land with gross book value of ₹ **13,974.22 Million** (₹ 13,488.13 Million) and net book value of ₹ **9,334.21 Million** (₹ 9,325.37 Million).

(c) Refer note B13 (a) for details on pledges and securities.

(d) Freehold land includes land of ₹ **528.30 Million** (₹ Nil) acquired by the Company through the agreement to sale and is in the process of getting the title deeds transferred to its name.

FINANCIAL ASSETS (NON-CURRENT)

B 2 INVESTMENTS

₹ Million

Particulars		As at March 31, 2023	As at March 31, 2022
I	**At fair value through profit and loss**		
A	**Quoted investments** *		
	Investment in equity instruments:		
	16,394 (16,394) equity shares of ₹ 10/- each in Bharat Gears Limited - fully paid up	2.06	2.36
		2.06	**2.36**
B	**Unquoted investments** **		
	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
	406,700 (217,100) equity shares of ₹ 11.50 each in OPG Power Generation Private Limited - fully paid up	4.68	2.50
		75.48	**73.30**
	Investments carried at fair value through profit and loss (FVTPL)	**77.54**	**75.66**

B. Notes

Forming Part of the Financial Statements

B 2 INVESTMENTS (Contd..)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
II At cost***		
Unquoted investments		
(a) Investment in equity instruments:		
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
5,390,000 (5,000,000) equity shares of ₹ 10 each in Apollo Tyres Centre of Excellence Limited - fully paid up	115.13	50.00
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) Investment in membership interest:		
Apollo Tyres Co-operatief U.A. - wholly owned subsidiary	23,973.19	23,973.19
Investments carried at cost	24,136.07	24,070.94
	24,213.61	24,146.60
*Aggregate amount of quoted investments at market value	2.06	2.36
**Aggregate amount of unquoted investments at FVTPL	75.48	73.30
***Aggregate amount of unquoted investments at cost	24,136.07	24,070.94

B3 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good and measured at amortised cost unless otherwise stated)		
Employee advances	14.76	19.06
Security deposits	838.25	615.26
Security deposits to related parties (refer note C17)	313.38	307.97
Investment promotion subsidy receivable (refer note C7(a))	1,961.13	1,831.66
Derivative assets measured at fair value (refer note C9)	892.35	1,054.60
	4,019.87	3,828.55

B4 OTHER NON - CURRENT ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Capital advances	571.87	138.27
Capital advances to related parties (refer note C17)	-	194.27
	571.87	332.54
Balance with statutory authorities	5.86	2.58
Others	-	0.99
	577.73	336.11

B. Notes

Forming Part of the Financial Statements

B5 INVENTORIES (refer note C2)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	7,224.45	8,574.19
- In transit	606.71	701.50
	7,831.16	9,275.69
(ii) Work-in-progress	1,426.58	1,706.10
(iii) Finished goods		
- In hand	10,192.85	9,714.94
- In transit	676.45	930.74
	10,869.30	10,645.68
(iv) Stock-in-trade		
- In hand	1,033.35	1,427.84
- In transit	18.72	23.87
	1,052.07	1,451.71
(v) Stores and spares	1,589.57	1,559.74
	22,768.68	24,638.92

FINANCIAL ASSETS (CURRENT)

B6 INVESTMENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit and loss:		
Quoted Investments		
Investment in mutual funds	4,016.94	4,506.06
	4,016.94	4,506.06

₹ Million

Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
Aditya Birla Sun Life Overnight Fund - GrowthDirect Plan	415,692.95	504.01	435,319.86	500.48
Axis Overnight Fund - Direct Growth - ONDG	424,618.12	503.41	445,290.88	500.44
Kotak Overnight Fund - Direct Growth	420,524.72	502.86	442,051.36	501.20
HDFC Overnight Fund - Direct Plan Growth option	-	-	158,363.19	500.02
ICICI Prudential Overnight Fund - Direct Plan Growth	414,343.91	500.73	4,365,688.39	500.34
IDFC Overnight Fund Direct Plan-Growth	-	-	441,380.74	500.43
Nippon India Overnight Fund - Direct Growth Plan	4,176,122.59	502.66	4,404,201.29	502.60
SBI Overnight Fund Direct Growth	137,282.02	500.98	144,486.08	500.12
UTI Overnight Fund - Direct Growth Plan	163,051.58	500.35	171,971.79	500.43
Bandhan Overnight Fund Direct Plan-Growth	419,831.26	501.94	-	-
	6,571,467.15	4,016.94	11,008,753.58	4,506.06
Aggregate amount of quoted investments at market value		4,016.94		4,506.06

B. Notes

Forming Part of the Financial Statements

B7 TRADE RECEIVABLES (refer note C24)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured and measured at amortised cost unless otherwise stated)		
Trade Receivables Considered good*	15,883.94	15,423.01
Trade Receivables which have significant increase in credit risk	24.40	24.40
	15,908.34	**15,447.41**
Provision for loss allowance	(24.40)	(24.40)
	15,883.94	**15,423.01**

* Includes balances with related parties (refer note C17)

B8 CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Balances with banks:		
Current accounts	2,307.47	1,854.50
Other deposit accounts		
- original maturity of 3 months or less	1,354.50	351.00
(ii) Cheques on hand / remittances in transit	1,340.31	946.78
(iii) Cash on hand	2.12	1.78
	5,004.40	**3,154.06**

B9 BANK BALANCES OTHER THAN CASH AND CASH

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
EQUIVALENTS		
Unpaid dividend accounts *	102.20	100.19
Deposits with maturity exceeding 3 months but less than 12 months	0.01	2,000.01
	102.21	**2,100.20**

*These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note B18.

B10 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good and measured at amortized cost unless otherwise stated)		
Employee advances	119.53	126.00
Other recoverables from related parties (refer note C17)	790.85	670.64
Derivative assets measured at fair value (refer note C9)	272.91	87.29
Investment promotion subsidy receivable (refer note C7(a))	1,181.75	1,181.02
Interest accrued on deposits	0.40	75.06
	2,365.44	**2,140.01**

B. Notes

Forming Part of the Financial Statements

NON-FINANCIAL ASSETS (CURRENT)

B11 OTHER CURRENT ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Trade advances- considered good	577.34	367.95
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
	577.34	**367.95**
Export obligations - advance licence benefit	471.47	481.35
Export incentives recoverable	16.42	120.54
Balance with statutory authorities	964.41	309.04
Gratuity (refer Note C8)	299.24	32.57
Prepaid expenses	380.58	329.87
	2,709.46	1,641.32

B12 SHARE CAPITAL

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Authorised		
750,000,000 Nos. (750,000,000 Nos.) equity shares of ₹ 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
	15,750.00	**15,750.00**
(b) Issued, subscribed, called and fully paid up		
Equity shares of ₹ 1 each:		
635,100,946 Nos. (635,100,946 Nos.) equity shares	635.10	635.10
	635.10	**635.10**

(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, 2023		As on March 31, 2022	
	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million
Opening balance	635,100,946	635.10	635,100,946	635.10
Add: Issued during the year	-	-	-	-
Closing balance	**635,100,946**	**635.10**	**635,100,946**	**635.10**

B. Notes

Forming Part of the Financial Statements

B12 SHARE CAPITAL (Contd..)

(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, 2023		As on March 31, 2022	
	Number of shares	%age	Number of shares	%age
Sunrays Properties and Investment Company Private Limited	125,613,324	19.78%	126,593,324	19.93%
Emerald Sage Investment Ltd.	63,050,966	9.93%	63,050,966	9.93%
White IRIS Investment Ltd.	51,054,445	8.04%	51,054,445	8.04%
HDFC Trustee Company Ltd. - A/C its various Fund	54,807,540	8.63%	52,765,288	8.31%
Osiatic Consultants & Investments Pvt. Ltd.	-	0.00%	39,041,880	6.15%
Apollo Finance Limited	76,570,752	12.06%	37,528,872	5.91%

(e) Shares held by promoters at the end of the year

S. No.	Promoters	March 31, 2023			March 31, 2022		
		Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)	Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)
1	Onkar Kanwar	100,000	0.02%	0.00%	100,000	0.02%	0.00%
2	Raaja R S Kanwar	200,880	0.03%	0.00%	200,880	0.03%	0.00%
3	Taru Kanwar	12,250	0.00%	0.00%	12,250	0.00%	0.00%
4	Sunrays Properties and Investment Company Private Limited	125,613,324	19.78%	-0.15%	126,593,324	19.93%	-0.28%
5	Osiatic Consultants & Investments Pvt.Ltd.	0	0.00%	-6.15%	39,041,880	6.15%	0.00%
6	Apollo Finance Limited	76,570,752	12.06%	6.15%	37,528,872	5.91%	0.00%
7	Classic Industries & Exports Ltd.	18,696,005	2.94%	0.12%	17,903,505	2.82%	-0.04%
8	PTL Enterprises Ltd.	10,745,232	1.69%	0.03%	10,557,732	1.66%	0.36%
9	Amit Dyechem Pvt. Ltd.	1,574,595	0.25%	0.00%	1,574,595	0.25%	0.00%
10	Apollo International Ltd.	984,485	0.16%	0.00%	984,485	0.16%	0.00%
11	Global Capital Ltd.	1,000	0.00%	0.00%	1,000	0.00%	0.00%
12	Shalini Kanwar Chand	1,977,000	0.31%	0.00%	1,977,000	0.31%	0.00%
13	Neeraj Kanwar	671,380	0.11%	0.00%	671,380	0.11%	0.00%
14	Simran Kanwar	18,500	0.00%	0.00%	18,500	0.00%	0.00%
		237,165,403	**37.34%**	**0.00%**	**237,165,403**	**37.34%**	**0.03%**

B. Notes

Forming Part of the Financial Statements

(f) 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.

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, 2023 and March 31, 2022, 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.

B12 (a) OTHER EQUITY

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	31,317.67	31,317.67
General reserve	17,006.63	17,006.63
Capital reserve on AMHPL merger	1,383.68	1,383.68
Debenture redemption reserve	1,039.50	1,039.50
Capital subsidy	25.50	25.50
Capital redemption reserve	44.40	44.40
Capital reserve on forefeiture of shares	0.07	0.07
Retained earnings	47,472.79	43,699.81
Effective portion of cash flow hedge	42.47	1.16
Revaluation surplus	31.22	31.22
Total other equity	**98,363.93**	**94,549.64**

Refer Note C3 for description of nature and purpose of each reserve

NON - CURRENT LIABILITIES

B13 BORROWINGS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Secured *		
(i) Debentures	17,226.44	17,122.07
(ii) Term loans		
From banks:		
External commercial borrowings (ECB)	2,596.05	4,785.93
Rupee term loan	11,905.30	13,376.14
(iii) Deferred payment liabilities		
Deferred payment credit	20.34	25.96
Total borrowings	**31,748.13**	**35,310.10**

* For details regarding repayment terms, interest rate and nature of security on non current borrowings (Note B13 (a))

B. Notes
Forming Part of the Financial Statements

B13 (a) Borrowings

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Non-convertible debentures							
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	1,499.18	-	1,499.14	-	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	-	1,499.89	1,499.14	-	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	7.50%	Bullet payment on October 21, 2022	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	-	-	-	1,499.14	7.80%	Bullet payment on April 29, 2022	Refer note below
5,000 - 8.75 % Non Convertible Debentures of ₹ 1 Million each	4,986.84	-	4,984.96	-	8.75%	Bullet payment on April 09, 2030	Refer note below *
5,000 - 7.70 % Non Convertible Debentures of ₹ 1 Million each	4,992.89	-	4,988.83	-	7.70%	₹ 1,250 Million payable on May 17, 2024 and ₹ 3,750 Million payable on May 16, 2025.	Refer note below
2,500 - 6.93 % Non Convertible Debentures of ₹ 1 Million each	-	2,498.11	-	-	6.93%	Bullet payment on December 31, 2023	Refer note below
2,500 - 7.53 % Non Convertible Debentures of ₹ 1 Million each	2,497.53	-	-	-	7.53%	Bullet payment on September 13, 2027	Refer note below
Total	**17,226.44**	**4,898.00**	**17,122.07**	**2,549.14**			

B. Notes

Forming Part of the Financial Statements

B13 (a) Borrowings (Contd..)

External commercial borrowings (ECB) from banks

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
ECB I	683.11	684.79	1,259.84	631.65	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
ECB II	683.47	684.79	1,259.30	631.58	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
ECB III	683.16	684.79	1,259.63	631.65	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
ECB IV	546.31	547.83	1,007.17	505.32	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Total	**2,596.05**	**2,602.20**	**4,785.93**	**2,400.20**			

Foreign currency non-resident (FCNR) term loan

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
FCNR I	-	-	-	93.58	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note below
FCNR II	-	-	-	94.13	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note below
FCNR III	-	-	-	291.98	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note below
Total	**-**	**-**	**-**	**479.69**			

B. Notes

Forming Part of the Financial Statements

B13 (a) Borrowings (Contd..)

Rupee term loans

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Rupee Term Loan I	-	-	-	149.38	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note below
Rupee Term Loan II	-	-	-	200.00	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note below
Rupee Term Loan III	-	249.63	250.00	-	0-2% above one year T-bill	Bullet payment on December 29, 2023	Refer note below
Rupee Term Loan IV	8,175.05	481.25	8,638.28	265.00	5-6.5% p.a	33 structured quarterly instalments starting from March 31, 2022	Refer note below
Rupee Term Loan V	3,730.25	760.00	4,487.86	500.00	6-7% p.a.	32 structured quarterly instalments starting from April 30, 2022	Refer note below
Total	**11,905.30**	**1,490.88**	**13,376.14**	**1,114.38**			

Deferred payment liabilities

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Deferred payment credit	20.34	5.62	25.96	5.20	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
Total	**20.34**	**5.62**	**25.96**	**5.20**			

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 the above mentioned security an exclusive charge on the immovable property of the Company's registered office in Kochi has also been created for this NCD issuance for an aggregate amount of ₹ 5,000 Million at 8.75% p.a.

B. Notes

Forming Part of the Financial Statements

NON - CURRENT LIABILITIES

B 14 PROVISIONS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for constructive liability (refer note C5)	165.41	181.31
Provision for sales related obligations (refer note C5)	327.55	309.13
	492.96	490.44

B 15 OTHER NON CURRENT LIABILITIES

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred revenue arising from government grant (refer note C7(b))	2,404.57	3,764.69
Security deposits - others	205.13	192.68
	2,609.70	3,957.37

CURRENT LIABILITIES

B 16 BORROWINGS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured **		
From banks - cash credit *	9.76	4.18
Unsecured		
From others - Commercial paper	-	2,000.00
Current maturities of non current borrowings		
Secured #		
(a) Debentures	4,898.00	2,549.14
(b) Term loans:		
Foreign currency non-resident term loan	-	479.69
External commercial borrowings (ECB)	2,602.20	2,400.20
Rupee Term Loans	1,490.88	1,114.38
(c) Deferred payment liabilities		
Deferred payment credit I	5.62	5.20
	9,006.46	8,552.79

* Cash credits are repayable on demand. The interest rate on these loans are in the range of 4.00 % p.a. to 7.50 % p.a. (3.00% p.a. to 7.00 % p.a.)

** Secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts.

For details regarding repayment terms, interest rate and nature of security on current maturities of non current borrowings (Note B13 (a)).

B. Notes

Forming Part of the Financial Statements

B 17 TRADE PAYABLES (refer note C23) *

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Measured at amortised cost)		
Total outstanding dues of micro enterprises and small enterprises	306.28	337.63
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables	18,055.99	18,562.46
Employee related payables	1,468.21	1,686.19
Payable to related parties (refer note C17)	4,460.60	7,256.85
	23,984.80	**27,505.50**

* Trade payables include commission on net profits payable to whole-time directors ₹ 341.90 million (₹ 35.94 million) and non-executive directors ₹ 50.00 million (₹ 38.00 million).

B 18 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Measured at amortised cost unless otherwise stated)		
Interest accrued but not due on borrowings	1,452.05	1,402.20
Unclaimed dividends #	102.20	100.19
Accounts payable - capital	1,555.37	2,248.36
Payable to micro enterprises and small enterprises - capital (refer note C15)	57.68	121.08
Interest payable to micro, small and medium Enterprises (refer note C15)	10.58	10.58
Payable to related parties (refer note C17)	183.91	147.78
Security deposits	619.53	568.75
Derivative liabilities measured at fair value (refer note C9)	25.18	36.05
	4,006.50	**4,634.99**

Includes ₹ 7.94 Million (₹ 5.70 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.

CURRENT LIABILITIES

B 19 OTHER CURRENT LIABILITIES

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred revenue arising from government grant (refer note C7(b))	1,469.00	2,235.65
Statutory dues payable	2,655.77	1,899.73
Advances received from / credit balance of customers (refer note C24)	10,694.51	10,618.24
	14,819.28	**14,753.62**

B 20 PROVISIONS (refer note C5)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for constructive liability	75.54	49.68
Provision for compensated absences	263.32	259.19
Provision for superannuation	38.91	40.16

B. Notes

Forming Part of the Financial Statements

B 20 PROVISIONS (refer note C5) (Contd..)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for contingencies	425.00	425.00
Provision for sales related obligations	1,269.58	1,173.73
	2,072.35	1,947.76

B 21 CURRENT TAX LIABILITIES (NET) (refer note C6)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net)	208.24	443.87

B 22 OTHER OPERATING INCOME

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment promotion subsidy (refer note C7 (a))	1,106.04	1,211.52
Unwinding of deferred income (refer note C7 (b))	2,266.57	1,540.68
Scrap sales	580.83	517.97
Others	157.66	156.00
	4,111.10	3,426.17

B 23 OTHER INCOME

₹ Million

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
(a) Interest income				
- Bank deposits	6.73		206.10	
- Others *	216.00	222.73	190.50	396.60
(b) Gain from current investments - Fair value through profit and loss				
Mutual funds		55.19		24.15
(c) Others				
Profit on sale of property, plant and equipment (net)	37.02		81.39	
Gain on foreign currency transactions and translations (net)	371.87		660.57	
Miscellaneous income	64.45	473.34	106.25	848.21
		751.26		1,268.96

* This includes interest recognised on Government grant (refer note C7 (a))

EXPENSES

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B 24A Cost of materials consumed *	106,937.72	94,937.71
B 24B Purchase of stock-in-trade:		
Purchase of finished goods - tyres, tubes and flaps	9,628.17	8,465.86

B. Notes
Forming Part of the Financial Statements

EXPENSES (Contd..)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B 24C Employee benefits expense: *		
Salaries and wages	8,323.60	8,389.02
Contribution to provident and other funds (refer note C8)	630.34	617.65
Staff welfare expenses	1,305.21	1,233.51
	10,259.15	**10,240.18**
B 24D Other expenses: *		
Consumption of stores and spare parts	1,326.27	1,098.66
Power and fuel	5,525.74	4,987.03
Conversion charges	900.44	995.56
Repairs and maintenance		
- Machinery	384.66	270.59
- Buildings	53.00	42.65
- Others	1,967.59	1,832.20
Rent (refer note C4)	19.14	25.91
Insurance	380.76	325.00
Rates and taxes	98.00	73.48
Sitting fees to non-executive directors (refer note C17)	4.29	4.13
Commission to non-executive directors (refer note C17)	50.00	38.00
Travelling, conveyance and vehicle expenses	1,197.89	844.47
Postage, telephone and stationery	91.53	81.55
Conference	46.32	7.70
Royalty (refer note C17)	127.62	110.68
Freight and forwarding	5,492.17	5,158.52
Commission on sales	152.46	131.46
Advertisement and sales promotion	2,717.36	2,449.53
Corporate social responsibility (refer note C16)	132.25	187.17
Bank charges	19.44	37.94
Statutory auditors' remuneration (refer note C10)	11.85	12.59
Legal and professional	1,422.24	1,145.80
Miscellaneous	2,499.40	2,166.19
	24,620.42	**22,026.81**
	151,445.46	**135,670.56**

* Includes expense towards research and development (refer note C11).

B 25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
OPENING STOCK		
Work in progress	1,706.10	1,663.64
Finished goods	10,645.68	7,637.86
Stock-in-trade	1,451.71	1,017.54
	13,803.49	**10,319.04**

B. Notes

Forming Part of the Financial Statements

B 25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS (Contd..)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Less:		
CLOSING STOCK		
Work in progress	1,426.58	1,706.10
Finished goods	10,869.30	10,645.68
Stock-in-trade	1,052.07	1,451.71
	13,347.95	13,803.49
	455.54	(3,484.45)

B 26 FINANCE COSTS

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on fixed-term loans	1,196.09	1,129.11
Interest on debentures	1,577.42	1,334.98
Interest on current loans	98.99	75.62
Interest on income taxes	260.00	38.48
Interest on lease liabilities (refer note C4)	414.32	455.53
Interest - others	1,078.57	691.16
Other borrowing costs	46.89	96.68
	4,672.28	3,821.56

C. Notes

Forming Part of the Financial Statements

1 Borrowings

Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **97.55 Million** (₹ 559.07 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 **6.77% p.a.** (7.58% p.a.).

2 Inventories

The amount of write-down of inventories to net realizable value recognized as an expense was ₹ **292.26 Million** (₹ 187.52 Million).

3 Description of nature and purpose of each reserve

i. 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.

ii. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. 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 Apollo (Mauritius) Holdings Private Limited ("AMHPL") merger

AMHPL erstwhile (subsidiary company) was merged with the Company resulting in a capital reserve.

iv. 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 in earlier years 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.

ix. Cash Flow Hedge

It represents mark-to-market valuation of effective hedges as required by Ind AS 109 - Financial Instruments.

x. Revaluation surplus

Revaluation surplus represents increase in carrying amount arising on revaluation of land and building recognised in other comprehensive income and accumulated in reserves.

4 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.

ii The Company 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.

C. Notes

Forming Part of the Financial Statements

4 Leases (Contd..)

iv Lease liabilities are presented in the statement of financial position as follows:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	4,006.33	4,666.99
Current	931.02	849.36
Total	**4,937.35**	**5,516.35**

v 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 at March 31, 2023	As at March 31, 2022
Short term leases	19.14	25.91
Total	**19.14**	**25.91**

vi Changes in the carrying value of right-of-use assets by class of assets is as follows:

₹ Million

Particulars	Land & Building *	Plant and equipment	Total
Gross carrying value			
As at April 01, 2022	**7,704.97**	**283.32**	**7,988.29**
Additions	410.97	96.35	507.32
Disposals	168.20	-	168.20
As at March 31, 2023	**7,947.74**	**379.67**	**8,327.41**
Accumulated depreciation			
As at April 01, 2022	**2,431.65**	**165.02**	**2,596.67**
Depreciation expense	1,011.89	84.62	1,096.51
Eliminated on disposal	30.88	-	30.88
As at March 31, 2023	**3,412.66**	**249.64**	**3,662.30**
Net carrying value			
As at March 31, 2023	**4,535.08**	**130.03**	**4,665.11**

₹ Million

Particulars	Land & Building *	Plant and equipment	Total
Gross carrying value			
As at April 01, 2021	**7,022.99**	**155.42**	**7,178.41**
Additions	1,008.07	127.90	1,135.97
Disposals	326.09	-	326.09
As at March 31, 2022	**7,704.97**	**283.32**	**7,988.29**
Accumulated depreciation			
As at April 01, 2021	**1,675.37**	**89.01**	**1,764.38**
Depreciation expense	1,016.26	76.01	1,092.27
Eliminated on disposal	259.98	-	259.98
As at March 31, 2022	**2,431.65**	**165.02**	**2,596.67**
Net carrying value			
As at March 31, 2022	**5,273.32**	**118.30**	**5,391.62**

* Includes balance with related parties (refer note C17).

C. Notes
Forming Part of the Financial Statements

4 Leases (Contd..)

vii The following are the amounts recognised in statement of profit and loss

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	1,096.51	1,092.27
Interest expense on lease liabilities	414.32	455.53
Interest income on fair value of security deposit	(34.41)	(29.00)
Expense relating to short-term leases (included in other expenses)	19.14	25.91
Total	**1,495.56**	**1,544.71**

viii Total Cash outflow pertaining to leases during the year ended March 31, 2023 is ₹ **1,363.31** Million **(₹ 1,340.64 Million).**

ix Leasehold land is net of ₹ **5.39 Million** (₹ 5.39 Million) subleased to Classic Industries and Exports limited (formerly known as Classic Auto Tubes Ltd.), a Company in which directors are interested since the year ended 2009-10.

5 Provisions - non current / current

₹ Million

Particulars	Non current		Current				
	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
As at March 31, 2021	**313.63**	**181.12**	**233.32**	**1,098.28**	**53.93**	**425.00**	**31.37**
Addition during the year	-	0.19	259.19	1,173.73	49.68	-	152.71
Utilisation/ reversal during the year	4.50	-	233.32	1,098.28	53.93	-	143.92
As at March 31, 2022	**309.13**	**181.31**	**259.19**	**1,173.73**	**49.68**	**425.00**	**40.16**
Addition during the year	18.42	-	263.32	1,269.58	75.54	-	132.40
Utilisation/ reversal during the year	-	15.90	259.19	1,173.73	49.68	-	133.65
As at March 31, 2023	**327.55**	**165.41**	**263.32**	**1,269.58**	**75.54**	**425.00**	**38.91**

* Represents estimates for payments to be made in future for sales related obligations.

** Includes post-employment benefit obligation for the employees of related party engaged at its Kalamassery plant taken on lease by the company.

6 Income taxes

i. Reconciliation between average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	**8,117.67**		**3,503.52**	
Income tax using the Company's domestic tax rate	2,836.64	34.94%	1,224.27	34.94%
Tax effect of :				
Non deductible expenses	144.36	1.78%	85.99	2.45%
Others	(650.71)	(8.02%)	(417.38)	(11.91%)
Income tax expenses recognised in the statement of profit and loss	**2,330.29**	**28.71%**	**892.88**	**25.49%**

C. Notes
Forming Part of the Financial Statements

6 Income taxes (Contd..)

ii. Components of deferred tax liability (net)

₹ Million

Particulars	As on March 31, 2023				As on March 31, 2022			
	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
Tax effect of items constituting deferred tax liabilities								
Employee benefits	-	-	-	-	-	-	-	-
Depreciation and amortisation	14,462.79	1,383.35	-	15,846.14	12,528.59	1,934.20	-	14,462.79
Others	-	-	-	-	-	-	-	-
Gross deferred tax liabilities (a)	**14,462.79**	**1,383.35**	**-**	**15,846.14**	**12,528.59**	**1,934.20**	**-**	**14,462.79**
Tax effect of items constituting deferred tax assets								
Employee benefits	-	-	-	-	-	-	-	-
Provision for doubtful debts / advances	-	-	-	-	-	-	-	-
Minimum alternate tax (MAT) entitlement	5,696.14	1,477.17	-	7,173.31	5,084.54	611.60	-	5,696.14
Carry forward of losses	1,102.27	(844.35)	-	257.92	15.97	1,086.30	-	1,102.27
Others	611.04	(102.61)	(48.88)	459.54	694.34	(44.99)	(38.31)	611.04
Gross deferred tax assets (b)	**7,409.45**	**530.21**	**(48.88)**	**7,890.77**	**5,794.85**	**1,652.91**	**(38.31)**	**7,409.45**
Net deferred tax liability (a - b)	**7,053.34**	**853.14**	**48.88**	**7,955.37**	**6,733.74**	**281.29**	**38.31**	**7,053.34**

iii. The Company has concluded that the deferred tax assets including assets on carry forward of losses and MAT entitlement will be fully recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company.

7 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, interalia, 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 ₹ **801.35 Million** (₹ 995.08 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 ₹ **1,686.66 Million** (₹ 1,812.72 Million) under non-current financial assets and ₹ **270 Million** (₹ 270 Million) under current financial assets. Deferred grant income amounting ₹ **1,492.14 Million** (₹ 1,627.79 Million) is recognised under other non-current liabilities and ₹ **135.65 Million** (₹ 135.65 Million) under other current liabilities. Deferred income will be recognised in the statement of profit or loss on a

C. Notes
Forming Part of the Financial Statements

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** (₹ 135.65 Million) under Other operating income and accretion of grant recoverable as finance income amounting to ₹ **144.94 million** (₹ 154.20 million) 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, interalia, 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 ₹ **169.04 Million** (₹ 80.79 Million) 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 ₹ **281.46 Million** (₹ 2,591.06 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to ₹ **2,266.57 Million** (₹ 1,540.68 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 current & non current liabilities.

8 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 expense in the year incurred. The amount of contribution made by the Company to Superannuation Fund is ₹ **132.40 Million** (₹ 152.71 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 ₹ **360.46 Million** (₹ 326.44 Million).

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:

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost ^	131.84	126.00
Interest cost on benefit obligation *	134.81	109.45
Actual return on plan assets*	(137.19)	(103.63)
Expense recognized in the statement of profit and loss	**129.46**	**131.82**

^ Included in employee benefit expense

* Included in finance cost

C. Notes
Forming Part of the Financial Statements

8 Employee benefit liability (Contd..)

Other comprehensive income (experience adjustment)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial loss/(gain) for the year on defined benefit obligation	(80.31)	84.57
Actuarial (gain)/loss for the year on plan asset	3.94	(42.86)
Total	**(76.37)**	**41.71**

Balance sheet:

Net asset/(liability) recognised in the balance sheet

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the end of the year (a)	2,240.39	1,874.19
Present value of defined benefit obligation at the end of the year (b)	1,941.15	1,841.62
Net asset/(liability) recognized in the balance sheet (a - b)	**299.24**	**32.57**

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligations as at the beginning of the year	1,841.62	1,583.90
Interest cost	134.81	109.45
Current service cost	131.84	126.00
Benefits paid	(86.81)	(62.30)
Actuarial loss/(gain) on obligation	(80.31)	84.57
Present value of obligations as at the end of the year	**1,941.15**	**1,841.62**

Changes in the fair value of plan assets

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of the year	1,874.19	1,499.72
Actual return on plan assets	137.19	103.63
Contributions	319.76	290.28
Benefits paid	(86.81)	(62.30)
Actuarial loss/(gain) on plan assets	(3.94)	42.86
Fair value of plan assets as at the end of the year	**2,240.39**	**1,874.19**

The Company's gratuity funds are managed by the Life Insurance Corporation and therefore the composition of the fund assets is not presently ascertained.

Maturity Profile of Defined Benefit Obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	147.95	233.85
1 to 2 year	156.64	85.07
2 to 3 year	130.40	105.48
3 to 4 year	108.92	119.51
4 to 5 year	103.79	95.96
More than 5 years	1,293.45	1,201.75
Total	**1,941.15**	**1,841.62**

C. Notes

Forming Part of the Financial Statements

8 Employee benefit liability (Contd..)

Principal assumptions for gratuity

₹ Million

Particulars	As at March 31, 2023 Rate (%)	As at March 31, 2022 Rate (%)
a) Discount rate	7.50	7.32
b) Future salary increase*	6.00	6.00
c) Retirement age (years)	58/65	58
d) Mortality table	100% IALM (2012-2014)	100% 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 ₹ **122.36 Million** (₹ 131.56 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, 2023	1,941.15	1,941.15	1,941.15
Impact due to increase of 0.50%	(93.29)	102.09	0.67
Impact due to decrease of 0.50%	101.11	(94.99)	(0.55)

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2022	1,841.62	1,841.62	1,841.62
Impact due to increase of 0.50%	(80.25)	87.80	0.58
Impact due to decrease of 0.50%	87.10	(81.58)	(0.46)

C. Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

₹ Million

Particulars	As at March 31, 2023 Rate (%)	As at March 31, 2022 Rate (%)
a) Discount rate	7.50	7.32
b) Future salary increase*	6.00	6.00
c) Retirement age (years)	58 /65	58.00
d) Mortality table	100% IALM (2012-2014)	100% 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.

C. Notes
Forming Part of the Financial Statements

9 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 at March 31, 2023	As at March 31, 2022
Non current borrowings (refer note B13)	31,748.13	35,310.10
Current borrowings * (refer note B16)	9,006.46	8,552.79
Sub total (a)	**40,754.59**	**43,862.89**
Equity (refer note B12)	635.10	635.10
Other equity (refer note B12(a))	98,363.93	94,549.64
Sub total (b)	**98,999.03**	**95,184.74**
Capital gearing ratio ((a) / (b))	**0.41**	**0.46**

* Includes current maturities of long term borrowings.

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 derivate 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

₹ Million

Currency	As at March 31, 2023	Sensitivity + 5%	Sensitivity -5%	As at March 31, 2022	Sensitivity + 5%	Sensitivity -5%
USD	(1,473.18)	(73.66)	73.66	(2,276.80)	(113.84)	113.84
Euro	90.09	4.50	(4.50)	1,336.04	66.80	(66.80)
GBP	(77.41)	(3.87)	3.87	(169.12)	(8.46)	8.46
Others	649.67	32.48	(32.48)	501.76	25.09	(25.09)

C. Notes

Forming Part of the Financial Statements

9 Financial instrument (Contd..)

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 had 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 had 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 had established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirement.

d) Commodity risk

The Company has risk of price volatility and supply against its major raw materials and management is mitigating this risk by taking strategic decision on regular basis.

The below tables summarise the maturity profile (undiscounted) of the Company's financial assets and financial liabilities

i. Non derivative financial assets

₹ Million

Particulars	As on March 31, 2023			As on March 31, 2022		
	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	25,745.11	1,913.88	25,427.25	24,809.98	1,603.44	25,317.11
Fixed interest rate instruments	1,354.91	-	-	2,426.07	-	-

ii. Non derivative financial liabilities

₹ Million

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	26,820.35	-	-	31,039.87	-	-
Lease liability	931.02	2,637.23	1,369.10	849.36	2,702.46	1,964.53
Variable interest rate instruments	5,545.14	10,556.81	3,944.06	5,396.47	10,919.68	7,242.39
Fixed interest rate instruments	4,913.58	12,259.73	4,986.84	4,558.52	12,162.45	4,985.58

C. Notes
Forming Part of the Financial Statements

9 Financial instrument (Contd..)

iii. Derivative assets / (liabilities)

₹ Million

Particulars	As at March 31, 2023			As at March 31, 2022		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Net settled:						
Foreign currency forward contracts, futures and options measured at FVTPL	(25.18)	-	-	(36.05)	-	-
Foreign currency forward contracts, futures and options measured at FVTPL	-	-	-	87.29	-	-
Gross settled:						
Cross currency interest rate swaps measured at FVTOCI	272.91	892.35	-	-	1,054.60	-
Total	**247.73**	**892.35**	**-**	**51.24**	**1,054.60**	**-**

Interest rate swap

The Company had an interest rate swap agreement whereby the Company receives a fixed rate of interest of 6.5% to 7.5% and pays interest at a variable rate. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loan. The decrease in fair value of the interest rate swap had been recognised in finance costs and offset with a similar gain on the bank borrowings. The ineffectiveness recognised in March 31, 2023 was immaterial.

Foreign exchange forward contracts

While the Company entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

d) The below tables summarise the fair value of the financial assets / liabilities

i. Fair value of derivative instruments carried at fair value

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial assets (a)			
- Foreign currency forward contracts, futures and options measured at FVTPL	-	87.29	2
- Cross currency interest rate swaps measured at FVTOCI	1,165.26	1,054.60	2
Total	**1,165.26**	**1,141.89**	
Derivative financial liabilities (b)			
- Foreign currency forward contracts measured at FVTPL	25.18	36.05	2
Total	**25.18**	**36.05**	
Net derivative financial assets (a - b)	**1,140.08**	**1,105.84**	

C. Notes
Forming Part of the Financial Statements

9 Financial instrument (Contd..)

ii. Fair value of financial assets (other than derivative instruments) carried at fair value

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
– Non current investments - quoted	2.06	2.36	1
– Non current investments - unquoted	75.48	73.30	3
– Current investments - quoted	4,016.94	4,506.06	1
Total	**4,094.48**	**4,581.72**	

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 (unadjusted) market prices in active markets for identical assets or liabilities.

* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

e) Details of outstanding contracts

Currency pair	Currency	Currency value (Million)	Average Exchange rate	Nominal value (Million)	Buy/Sell
As at March 31, 2023					
Foreign currency forward contracts					
USD / INR	US Dollar	5.00	82.38	411.88	Buy
USD / THB	US Dollar	6.00	33.77	202.60	Buy
USD / ZAR	US Dollar	1.13	18.15	20.42	Buy
EUR / USD	Euro	1.95	1.08	2.11	Sell
Futures and options					
USD / INR	US Dollar	23.00	83.38	1,917.74	Buy
USD / INR	US Dollar	46.00	83.61	3,846.06	Sell
Cross currency interest swaps					
USD / INR	US Dollar	63.33	82.18	5,204.14	Buy
As at March 31, 2022					
Foreign currency forward contracts					
USD / INR	US Dollar	21.95	75.80	1,663.76	Buy
USD / THB	US Dollar	6.00	33.21	199.27	Buy
USD / ZAR	US Dollar	1.13	14.58	16.40	Buy
EUR / INR	Euro	4.60	84.07	386.74	Sell
Futures and options					
USD / INR	US Dollar	29.00	75.80	2,198.13	Buy
USD / INR	US Dollar	44.50	75.80	3,372.99	Sell
Cross currency interest swaps					
USD / INR	US Dollar	104.50	75.80	7,920.58	Buy

For fair value of outstanding contracts, refer note C9 (d)(i).

C. Notes

Forming Part of the Financial Statements

9 Financial instrument (Contd..)

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 at March 31, 2023								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 63.33	1,165.26	-	June-2022 to September-2024	1:1	63.95 to 67.5	508.75	(508.75)

(Carrying value of firm commitments for capital assets is ₹ **Nil** (₹ 0.99 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 at March 31, 2022								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 104.50	1,054.60	-	June-2022 to September-2024	1:1	63.95 to 67.5	(416.46)	416.46
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
USD/INR	USD 8.45	-	(0.99)	Apr-22	1:1	76.105 to 76.105	(0.99)	0.99

(Carrying value of firm commitments for capital assets is ₹ 0.99 million and is recognised in other non-current assets as others)

C. Notes

Forming Part of the Financial Statements

9 Financial instrument (Contd..)

(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, 2023				
Cash flow hedge				
Foreign exchange and interest rate risk	508.75	-	160.53	Finance Cost
			(605.78)	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, 2022				
Cash flow hedge				
Foreign exchange and interest rate risk	(416.46)	-	626.91	Finance Cost
			(59.09)	Gain on foreign currency transactions and translations

(3) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at April 01, 2021	**(97.31)**
Add: Changes in fair value of cross currency swaps	(416.46)
Less: Amount reclassified to Profit and loss	567.82
Less: Deferred tax relating to above (net)	(52.89)
Balance as at March 31, 2022	**1.16**
Add: Changes in fair value of cross currency swaps	508.75
Less: Amount reclassified to Profit and loss	(445.25)
Less: Deferred tax relating to above (net)	(22.19)
Balance as at March 31, 2023	**42.47**

C. Notes

Forming Part of the Financial Statements

10 Statutory auditors' remuneration

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
For audits and quarterly reviews	11.00	10.50
For reimbursement of expenses	0.42	0.34
For other services	0.43	1.75
Total	**11.85**	**12.59**

11 Research and development expenditure

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure	1,404.11	1,443.74
Capital expenditure	541.76	35.90
Total	**1,945.87**	**1,479.64**

The company carries out research and development activities to bring cutting edge technology and innovation in relation to tyre manufacturing.

12 Contingent liabilities

a

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales tax	65.23	60.77
Income tax	1,771.63	1,670.51
Claims against the Company not acknowledged as debts – employee related	116.51	160.29
– others	35.80	32.30
Excise duty, Custom duty and Service tax *	671.42	661.81

* Show-cause notices received from various Government Authorities 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.

b The Competition Commission of India ('CCI') on February 2, 2022 had released its order dated August 31, 2018 on the Company, other Tyre Manufacturers and Automotive Tyre Manufacturer Association alleging contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 4,255.30 Million on the Company. The Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 1, 2022, had remanded the matter back to the CCI to hear the parties again and review its findings. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. The Company is also a Respondent in the said Appeal. Pending disposal of the matter and based on legal advice the Company believes that it has a strong case and accordingly no provision is considered in these consolidated financial statements.

C. Notes

Forming Part of the Financial Statements

13 Capital and other commitments

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	747.46	3,963.51
B Other commitments		
Corporate guarantee given* (refer note C24)	1,471.39	1,849.54

*The company had provided corporate guarantee on behalf of its wholly owned subsidiary Apollo Tyres Cooperatief U.A.

14 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 that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

15 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	694.40	904.49
(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 had been relied upon by the auditors.

16 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:

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Gross amount required to be spent by the Company during the year	132.25	163.89
ii) Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	132.25	163.89
iii) Amount unspent during the year and deposited in a scheduled bank	-	-
iv) Amount spent during the year pertaining to previous year	-	23.28
v) Shortfall at the end of the year	-	-
vi) Reason of Shortfall	NA	NA

C. Notes
Forming Part of the Financial Statements

16 Expenditure towards corporate social responsibility (CSR) activities -

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard"	-	-
Total	132.25	187.17

Nature of CSR activities: Healthcare, Solid Waste Management & Sanitation, Livelihood for Rural Women, Biodiversity Conservation

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures

Name of the Related Parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Subsidiaries	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands
	Apollo Tyres (Greenfield) B.V., Netherlands	Apollo Tyres (Greenfield) B.V., Netherlands
	Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop)	Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop)
	Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL)	Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL)
	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop)	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop)
	Apollo Tyres (Middle East) FZE (ATFZE), Dubai (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 Holdings (Singapore) Pte. Ltd., (ATHS), Singapore (Subsidiary through AT Coop)
	Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS) (note a)	Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS) (note a)
	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK) (Subsidiary through AT Coop)	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK) (Subsidiary through AT Coop)
	Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK)	Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK)
	Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop)	Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop)
	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH) (Subsidiary through AT Coop)	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH) (Subsidiary through AT Coop)
	Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop)	Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop)
	Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATEU)	Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATEU)
	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU), Netherlands (Subsidiary through ATEU)	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU), Netherlands (Subsidiary through ATEU)
	Apollo Tyres (Hungary) Kft (Subsidiary through ATEU)	Apollo Tyres (Hungary) Kft (Subsidiary through ATEU)
	Reifencom GmbH, Hannover (Subsidiary through AT Coop)	Reifencom GmbH, Hannover (Subsidiary through AT Coop)

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover)	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover)
	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)
	ATL Singapore Pte Limited (note b)	ATL Singapore Pte Limited (note a)
	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.) (Subsidiary through AT Coop)	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.) (Subsidiary through AT Coop)
	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL) (Subsidiary through ATEU)	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL) (Subsidiary through ATEU)
	Apollo Tyres Centre of Excellence Limited	Apollo Tyres Centre of Excellence Limited
	Subsidiaries of Apollo Tyres (NL) B.V.:	Subsidiaries of Apollo Vredestein B.V (AVBV):
	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)
	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)
	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)
	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)
	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)
	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)
	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)
	Apollo Tyres Iberica S.A. (Formerly Apollo Vredestein Iberica SAU)	Apollo Tyres Iberica S.A. (Formerly Apollo Vredestein Iberica SAU)
	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)
	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)
	Vredestein Consulting B.V.,Netherlands	Vredestein Consulting B.V.,Netherlands
	Finlo B.V. Netherlands	Finlo B.V. Netherlands
Associate	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
Joint venture	PanAridus LLC, USA (JV through ATHS) (note(c))	PanAridus LLC, USA (JV through ATHS) (note(c))
Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International FZC	Apollo International FZC
	SunLife Tradelinks (P) Ltd.	SunLife Tradelinks (P) Ltd.
	Nutriburst India Pvt. Ltd.	Nutriburst India Pvt. Ltd.
	Classic Industries and Exports Limited	Classic Industries and Exports Limited
	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

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Mr. Francesco Cripino	Ms. Anjali Bansal
	Mr. Vishal Kashyap Mahadevia	Mr. Francesco Cripino
	Ms. Lakshmi Puri	Mr. Vishal Kashyap Mahadevia
	Dr. Jaimini Bhagwati *	Ms. Lakshmi Puri

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) In the process of liquidation.

(b) Liquidated during the year

(c) 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.

Ceased to be a wholetime director and re-appointed as non executive director w.e.f. 1st Feb 2023

* Appointed during the year

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

Transactions and balances with Related Parties:

FY 2022-23

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Description of transactions:					
Sales: Finished goods					
Apollo Tyres Global R&D B.V.	1.59				1.59
Apollo Tyres (NL) B.V.	4,533.59				4,533.59
Apollo Tyres (Middle East) FZE	5,295.71				5,295.71
Apollo Tyres (Thailand) Limited	2,281.34				2,281.34
Apollo Tyres Africa (Pty) Ltd	1,383.29				1,383.29
Apollo Tyres (Malaysia) SDN BHD	-				-
Apollo Tyres (Hungary) Kft.	152.23				152.23
Apollo Tires (US) INC.	3,554.31				3,554.31
Apollo International FZC		55.44			55.44
Apollo International Trading LLC, Middle East		-			-
Apollo International Limited		211.31			211.31
	17,202.06	**266.75**	**-**	**-**	**17,468.81**
Sales: Raw materials					
Classic Industries and Exports Ltd.		859.15			859.15
Investments made:					
Apollo Tyres Centre of Excellence Limited	65.13				65.13
Royalty income:					
Apollo Tyres Middle East Fze.	19.82				19.82
Apollo Tyres Thailand Ltd.	15.37				15.37
Apollo Tyres Africa (Pty) Ltd	50.09				50.09
	85.28	**-**	**-**	**-**	**85.28**
Cross charge of management and other expenses received :					
Apollo Tyres (NL) B.V.	133.91				133.91
Apollo Tyres (Middle East) FZE	1.65				1.65
Apollo Tyres Global R&D B.V.	3.01				3.01
Apollo Tyres (UK) Holdings Ltd.	0.67				0.67
Apollo Tyres (Thailand) Limited	2.12				2.12
Apollo Tyres Africa (Pty) Ltd	1.94				1.94
Apollo Tyres (Hungary) Kft.	127.51				127.51
Apollo Tyres Holdings (Singapore) Pte Ltd	66.93				66.93
Apollo Tyres (Malaysia) SDN BHD	-				-
Apollo Tires (US) INC.	98.99				98.99
Apollo Tyres Centre of Excellence Limited	2.12				2.12
Artemis Medicare Services Ltd.		0.60			0.60
PTL Enterprises Ltd.		0.85			0.85
Classic Industries and Exports Limited		1.69			1.69
	438.85	**3.14**	**-**	**-**	**441.99**

C. Notes
Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Cross charges for business support services paid:					
Apollo Tyres Centre Of Excellence Limited					-
Cross charges for facility mgt. & support services received:					
Apollo Tyres Centre Of Excellence Limited					-
Rent received:					
Classic Industries and Exports Limited		1.06			1.06
PTL Enterprises Ltd.		0.39			0.39
	-	**1.45**	**-**	**-**	**1.45**
Reimbursement of expenses received:					
Apollo Tyres (NL) B.V.	219.20				219.20
Apollo Tyres (Middle East) FZE	4.31				4.31
Apollo Tyres Global R&D B.V.	14.81				14.81
Apollo Tyres (Thailand) Limited	6.69				6.69
Apollo Tyres (UK) Holdings Ltd.	31.33				31.33
Apollo Tyres Africa (Pty) Ltd	2.66				2.66
Apollo Tyres (Hungary) Kft.	108.77				108.77
Apollo Tyres Holdings (Singapore) Pte Ltd	104.78				104.78
Apollo Tyres AG	94.83				94.83
Saturn F1 Pvt Ltd	2.52				2.52
Apollo Tires (US) INC.	9.06				9.06
Classic Industries and Exports Limited		13.59			13.59
	598.96	**13.59**	**-**	**-**	**612.55**
Freight and insurance recovered:					
Apollo Tyres (Middle East) FZE	502.26				502.26
Apollo Tyres (Thailand) Limited	45.49				45.49
Apollo Tyres Africa (Pty) Ltd	139.73				139.73
Apollo Tyres (NL) B.V.	754.23				754.23
Apollo Tyres Global R&D B.V.	2.67				2.67
Apollo Tyres (Hungary) Kft.	23.62				23.62
Apollo Tires (US) INC.	1,236.14				1,236.14
	2,704.14	**-**	**-**	**-**	**2,704.14**
Royalty expense:					
Apollo Tyres AG, Switzerland	127.62				127.62
Purchase of raw material					
Apollo Tyres Holdings (Singapore) Pte Ltd.	35,054.75				35,054.75
Purchase of stock in trade:					
Apollo Tyres (NL) B.V.	166.87				166.87
Classic Industries and Exports Limited		4,410.12			4,410.12
	166.87	**4,410.12**	**-**	**-**	**4,576.99**

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Purchase of asset:					
Apollo Tyres (NL) B.V.	2.02				2.02
Apollo Tyres (Hungary) Kft.	4.11				4.11
Classic Industries and Exports Limited		625.04			625.04
Palazzo Design Limited		2.68			2.68
	6.13	**627.72**	**-**	**-**	**633.85**
Legal and professional charges paid:					
Shardul Amarchand Mangaldas & Co		6.96			6.96
Purchase of license:					
Artemis Medicare Services Ltd.		45.50			45.50
Reimbursement of expenses paid:					
Apollo Tyres (NL) B.V.	39.51				39.51
Apollo Tyres (Thailand) Limited	34.35				34.35
Apollo Tyres (Middle East) FZE	6.72				6.72
Apollo Tyres (UK) Holdings Ltd.	11.15				11.15
Apollo Tyres Global R&D B.V.	91.19				91.19
Apollo Tyres Africa (Pty) Ltd	0.90				0.90
Apollo Tires (US) INC.	5.94				5.94
PTL Enterprises Ltd.		639.56			639.56
Classic Industries and Exports Limited		10.00			10.00
	189.76	**649.56**	**-**	**-**	**839.32**
Payment for services received:					
Artemis Medicare Services Ltd.		24.40			24.40
KT Telematic Solutions Private Limited			0.51		0.51
Classic Industries and Exports Ltd.		24.39			24.39
	-	**48.79**	**0.51**	**-**	**49.30**
Cross charge of R & D expenses paid:					
Apollo Tyres Global R & D B.V.	475.19				475.19
Cross charge of other expenses paid:					
Apollo Tyres (UK) Holdings Ltd.	774.64				774.64
Saturn F1 Pvt Ltd	158.94				
Apollo Tyres Centre of Excellence Limited	119.94				
Apollo Tyres Holdings (Singapore) Pte Ltd	273.41				273.41
	1,326.93	**-**	**-**	**-**	**1,048.05**
Lease rent paid:					
PTL Enterprises Ltd.		611.20			611.20
Rent paid:					
Sunlife Tradelinks (P) Ltd.		36.00			36.00
Regent Properties		21.34			21.34
Classic Industries and Exports Ltd.		0.12			0.12
	-	**57.46**	**-**	**-**	**57.46**
Mixing charges paid:					
Classic Industries and Exports Ltd.		109.67			109.67
Sale of assets:					
Apollo Tyres (Hungary) Kft.					-

C. Notes
Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Purchase of supplements for employees:					
Nutriburst India Pvt. Ltd.		56.94			56.94
Commission on sales paid					
Apollo Tyres (Thailand) Limited	75.87				75.87
Apollo Tyres (Middle East) FZE	1.12				1.12
	76.99	**-**	**-**	**-**	**76.99**
Refund of security deposits given:					
Regent Properties		3.30			3.30
Guarantee commission received					
Apollo Tyres Co-Operatief U.A	2.96				2.96
Managerial remuneration:					
Mr. Onkar Kanwar				270.59	270.59
Mr. Neeraj Kanwar				284.12	284.12
Mr. Satish Sharma				99.70	99.70
	-	**-**	**-**	**654.41**	**654.40**
Sitting fees:					
Non-executive directors	-	-	-	4.29	4.29
Commission:					
Non-executive directors	-	-	-	50.00	50.00

Amount outstanding as at March 31, 2023

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Trade payable:					
Classic Industries and Exports Limited		436.23			436.23
Artemis Medicare Services Ltd.		2.40			2.40
Shardul Amarchand Mangaldas & Co.		0.90			0.90
Apollo Tyres AG	25.01				25.01
Apollo Tyres (NL) B.V.	99.26				99.26
Apollo Tyres (Middle East) FZE	12.10				12.10
Apollo Tyres (UK) Holdings Ltd.	95.19				95.19
Apollo Tyres Global R&D B.V.	112.37				112.37
Apollo Tyres (Thailand) Limited	37.46				37.46
Apollo Tyres Africa (Pty) Ltd	0.89				0.89
Apollo Tires (US) INC.	5.60				5.60
Apollo Tyres Holdings (Singapore) Pte Ltd	3,556.43				3,556.43
Saturn F1 Pvt Ltd	27.13				27.13
Apollo Tyres Centre of Excellence Limited	49.63				49.63
	4,021.07	**439.53**	**-**	**-**	**4,460.60**
Other current liabilities (financial):					
Apollo International FZC		0.37			0.37
Classic Industries and Exports Limited		128.77			128.77

C. Notes
Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres (NL) B.V.	13.35				13.35
Apollo Tyres (Middle East) FZE	32.47				32.47
Apollo Tyres (Thailand) Limited	0.45				0.45
Apollo Tyres (Hungary) Kft.	3.75				3.75
Apollo Tires (US) INC.	4.75				4.75
	54.77	129.14	-	-	183.91

Amount outstanding as at March 31, 2023

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Other non current financial assets*					
PTL Enterprises Ltd.		600.00			600.00
Sunlife Tradelinks		5.86			5.86
Regent Properties		2.10			2.10
	-	607.96	-	-	607.96
Other non current assets					
Classic Industries and Exports Ltd.					-
Trade receivable:					
Apollo International Limited		18.34			18.34
Apollo Tyres (NL) B.V.	362.11				362.11
Apollo Tyres Global R&D B.V.	-				-
Apollo Tyres (Thailand) Limited	185.43				185.43
Apollo Tyres Africa (Pty) Ltd	439.14				439.14
Apollo Tyres (Hungary) Kft.	15.63				15.63
Apollo Tires (US) INC.	470.33				470.33
	1,472.64	18.34	-	-	1,490.98
Other current assets					
PTL Enterprises Ltd.		50.52			50.52
Classic Industries and Exports Limited		201.99			201.99
Apollo Tyres (NL) B.V.	300.0500				300.05
Apollo Tyres (Middle East) FZE	19.0700				19.07
Apollo Tyres (UK) Holdings Ltd.	4.24				4.24
Apollo Tyres Global R&D B.V.	6.44				6.44
Apollo Tyres (Thailand) Limited	6.25				6.25
Apollo Tyres Africa (Pty) Ltd	120.93				120.93
Apollo Tyres (Hungary) Kft.	42.68				42.68
Apollo Tires (US) INC.	25.12				25.12
Apollo Tyres Holdings (Singapore) Pte Ltd	11.35				11.35
Saturn F1 Pvt Ltd	0.48				0.48
KT Telematic Solutions Private Limited			0.01		0.01
Apollo Tyres Centre of Excellence Limited	1.72				1.72
	538.33	252.51	0.01	-	790.85

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

Transactions and balances with Related Parties:

FY 2021-22

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Description of transactions:					
Sales: Finished goods					
Apollo Tyres (NL) B.V.	4,427.85	-	-	-	4,427.85
Apollo Tyres Middle East Fze.	4,969.89	-	-	-	4,969.89
Apollo Tyres Thailand Ltd.	2,183.70	-	-	-	2,183.70
Apollo Tyres Africa (Pty) Ltd	1,024.71	-	-	-	1,024.71
Apollo Tyres (Malaysia) Sdn Bhd	5.74	-	-	-	5.74
Apollo Tyres (Hungary) Kft	285.28	-	-	-	285.28
Apollo International FZC	-	380.88	-	-	380.88
Apollo Tyres Global R&D B.V	1.86	-	-	-	1.86
Apollo International Limited	-	70.18	-	-	70.18
Apollo Tires (US) INC.	1,453.90	-	-	-	1,453.90
	14,352.93	**451.06**	**-**	**-**	**14,803.99**
Sales: Raw materials					
Classic Industries and Exports Ltd.	-	735.71	-	-	735.71
Royalty income:					
Apollo Tyres Middle East Fze.	22.32	-	-	-	22.32
Apollo Tyres Thailand Ltd.	17.00	-	-	-	17.00
Apollo Tyres Africa (Pty) Ltd	44.21	-	-	-	44.21
Apollo Tyres (Malaysia) Sdn Bhd	0.13	-	-	-	0.13
	83.66	**-**	**-**	**-**	**83.66**
Cross charge of management and other expenses received :					
Apollo Tyres Middle East Fze.	1.57	-	-	-	1.57
Apollo Tyres Global R & D B.V.	1.76	-	-	-	1.76
Apollo Tyres Thailand Ltd.	1.69	-	-	-	1.69
PTL Enterprises Ltd.	-	0.85	-	-	0.85
Classic Industries and Exports Ltd.	-	1.69	-	-	1.69
Apollo Tyres Africa (Pty) Ltd	1.73	-	-	-	1.73
Artemis Medicare Services Ltd.	-	0.71	-	-	0.71
Apollo Tyres (Hungary) Kft	83.37	-	-	-	83.37
Apollo Tyres Holdings (Singapore) Pte Ltd.	65.04	-	-	-	65.04
Apollo Tyres (Malaysia) Sdn Bhd	0.58	-	-	-	0.58
Apollo Tyres (US) INC.	98.72	-	-	-	98.72
Apollo Tyres (UK) Holdings Ltd.	0.29	-	-	-	0.29
Apollo Tyres (NL) B.V.	94.22	-	-	-	94.22
	348.97	**3.25**	**-**	**-**	**352.22**

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Cross charges for business support services paid:					
Apollo Tyres Centre Of Excellence Limited	9.96	-	-	-	9.96
Cross charges for facility mgt. & support services received:					
Apollo Tyres Centre Of Excellence Limited	1.41	-	-	-	1.41

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Rent received:					
PTL Enterprises Ltd.	-	0.39	-	-	0.39
Classic Industries and Exports Ltd.	-	1.06	-	-	1.06
	-	1.45	-	-	1.45
Reimbursement of expenses received:					
Apollo Tyres Middle East Fze.	3.74	-	-	-	3.74
Apollo Tyres Global R & D B.V.	15.68	-	-	-	15.68
Apollo Tyres Thailand Ltd.	4.44	-	-	-	4.44
Classic Industries and Exports Ltd.	-	11.85	-	-	11.85
Apollo Tyres Africa (Pty) Ltd	2.47	-	-	-	2.47
Apollo Tyres (Hungary) Kft	78.87	-	-	-	78.87
Apollo Tyres Holdings (Singapore) Pte Ltd.	96.48	-	-	-	96.48
Apollo Tyres AG, Switzerland	100.02	-	-	-	100.02
Apollo Tyres (Malaysia) Sdn Bhd	2.19	-	-	-	2.19
Reifencom GmbH	0.06	-	-	-	0.06
Apollo Tyres (NL) B.V.	161.66	-	-	-	161.66
Apollo Tyres (UK) Holdings Ltd.	15.35	-	-	-	15.35
Apollo Tires (US) INC.	1.37	-	-	-	1.37
	482.33	**11.85**	**-**	**-**	**494.18**
Freight and insurance recovered:					
Apollo Tyres Middle East Fze.	482.52	-	-	-	482.52
Apollo Tyres Thailand Ltd.	62.96	-	-	-	62.96
Apollo Tyres Africa (Pty) Ltd	170.26	-	-	-	170.26
Apollo Tyres (NL) B.V.	1,159.58	-	-	-	1,159.58
Apollo Tyres Global R&D B.V	4.76	-	-	-	4.76
Apollo Tyres (Hungary) Kft	49.76	-	-	-	49.76
Apollo Tyres (Malaysia) Sdn Bhd	0.11	-	-	-	0.11
Apollo Tires (US) INC.	671.29	-	-	-	671.29
Apollo International FZC	-	0.02	-	-	0.02
	2,601.24	**0.02**	**-**	**-**	**2,601.26**

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Royalty expense:					
Apollo Tyres AG, Switzerland	110.68	-	-	-	110.68
Purchase of raw material					
Apollo Tyres Holdings (Singapore) Pte Ltd.	34,589.81	-	-	-	34,589.81
Purchase of stock in trade:					
Classic Industries and Exports Ltd.	-	3,836.80	-	-	3,836.80
Apollo Tyres (NL) B.V.	196.99	-	-	-	196.99
	196.99	**3,836.80**	**-**	**-**	**4,033.79**
Purchase of asset:					
Classic Industries and Exports Ltd.	-	757.19	-	-	757.19
Apollo Tyres (NL) B.V.	21.25	-	-	-	21.25
Apollo Tyres (Hungary) Kft	40.21	-	-	-	40.21
	61.46	**757.19**	**-**	**-**	**818.65**
Legal and professional charges paid:					
Shardul Amarchand Mangaldas & Co	-	3.21	-	-	3.21
Reimbursement of expenses paid:					
PTL Enterprises Ltd.	-	669.66	-	-	669.66
Classic Industries and Exports Ltd.	-	19.44	-	-	19.44
Apollo Tyres (NL) B.V.	171.44	-	-	-	171.44
Apollo Tyres Thailand Ltd.	17.89	-	-	-	17.89
Apollo Tyres Middle East Fze.	26.71	-	-	-	26.71
Apollo Tyres Global R & D B.V.	74.56	-	-	-	74.56
Apollo Tyres Holdings (Singapore) Pte Ltd.	5.13	-	-	-	5.13
Apollo Tyres (Malaysia) Sdn Bhd	0.24	-	-	-	0.24
Apollo Tyres (Hungary) Kft	0.38	-	-	-	0.38
Apollo Tyres (UK) Holdings Ltd.	1.87	-	-	-	1.87
Apollo Tyres Africa (Pty) Ltd	0.51	-	-	-	0.51
Apollo Tires (US) INC.	10.67	-	-	-	10.67
	309.40	**689.10**	**-**	**-**	**998.50**
Payment for services received:					
Artemis Medicare Services Ltd.	-	94.95	-	-	94.95
KT Telematic Solutions Private Limited	-	-	0.88	-	0.88
Classic Industries and Exports Ltd.	-	13.70	-	-	13.70
	-	108.65	0.88	-	109.53
Cross charge of R & D expenses paid:					
Apollo Tyres Global R & D B.V.	**575.95**	**-**	**-**	**-**	**575.95**
Cross charge of other expenses paid:					
Apollo Tyres (UK) Holdings Ltd.	916.11	-	-	-	916.11
Apollo Tyres Holdings (Singapore) Pte Ltd.	261.35	-	-	-	261.35
	1,177.46	**-**	**-**	**-**	**1,177.46**

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Lease rent paid:					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
Rent paid:					
Sunlife Tradelinks (P) Ltd.	-	31.82	-	-	31.82
Regent Properties	-	23.76	-	-	23.76
Classic Industries and Exports Ltd.	-	0.12	-	-	0.12
	-	**55.70**	**-**	**-**	**55.70**
Mixing charges paid:					
Classic Industries and Exports Ltd.	-	178.07	-	-	178.07
Sale of assets:					
Apollo Tyres (Hungary) Kft.	1.75	-	-	-	1.75
Purchase of supplements for employees:					
Nutriburst India Pvt. Ltd.	-	58.31	-	-	58.31
Commission on sales paid					
Apollo Tyres Thailand Ltd.	74.83	-	-	-	74.83
Guarantee commission received					
Apollo Tyres Co-Operatief U.A	8.28	-	-	-	8.28
Managerial remuneration:					
Mr. Onkar Kanwar	-	-	-	140.14	140.14
Mr. Neeraj Kanwar	-	-	-	122.62	122.62
Mr. Satish Sharma	-	-	-	89.58	89.58
	-	**-**	**-**	**352.34**	**352.34**
Sitting fees:					
Non-executive directors	-	-	-	4.13	4.13
Commission:					
Non-executive directors	-	-	-	38.00	38.00

Amount outstanding as at March 31, 2022

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Trade payable:					
Apollo Tyres AG, Switzerland	29.83	-	-	-	29.83
Apollo Tyres (NL) B.V.	69.15	-	-	-	69.15
Apollo Tyres (UK) Holdings Ltd.	244.61	-	-	-	244.61
Apollo Tyres Global R&D B.V.	191.58	-	-	-	191.58
Apollo Tyres Middle East Fze.	19.75	-	-	-	19.75
Classic Industries and Exports Ltd.	-	511.16	-	-	511.16
Apollo Tyres (Thailand) Ltd.	245.72	-	-	-	245.72
Apollo Tyres Africa (Pty) Ltd	3.89	-	-	-	3.89
Artemis Medicare Services Ltd.	-	5.96	-	-	5.96
Shardul Amarchand Mangaldas & Co.	-	0.49	-	-	0.49

C. Notes
Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

₹ Million

Particulars	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres Centre of Excellence Limited	10.67	-	-	-	10.67
Apollo Tyres Holdings (Singapore) Pte Ltd.	5,924.04	-	-	-	5,924.04
	6,739.24	**517.61**	**-**	**-**	**7,256.85**
Other current liabilities (financial):					
Apollo Tyres (NL) B.V.	1.37	-	-	-	1.37
Classic Industries and Exports Ltd.	-	123.26	-	-	123.26
Apollo International FZC	-	18.11	-	-	18.11
KT Telematic Solutions Private Limited	-	-	0.25	-	0.25
Apollo Tyres Global R&D B.V.	0.39	-	-	-	0.39
Apollo Tires (US) INC.	0.45	-	-	-	0.45
Apollo Tyres (Hungary) Kft	3.95	-	-	-	3.95
	6.16	**141.37**	**0.25**	**-**	**147.78**
Other non current financial assets*					
PTL Enterprises Ltd.	-	600.00	-	-	600.00
Sunlife Tradelinks	-	5.86	-	-	5.86
Regent Properties	-	5.40	-	-	5.40
	-	**611.26**	**-**	**-**	**611.26**
Other non current assets					
Classic Industries and Exports Ltd.	-	194.27	-	-	194.27
Trade receivable:					
Apollo Tyres (NL) B.V.	1,432.06	-	-	-	1,432.06
Apollo Tyres Africa (Pty) Ltd	330.77	-	-	-	330.77
Apollo International Limited	-	59.45	-	-	59.45
Apollo Tyres Middle East Fze.	336.70	-	-	-	336.70
Apollo Tyres (Hungary) Kft	101.40	-	-	-	101.40
Apollo Tyres (Thailand) Ltd.	250.48	-	-	-	250.48
Apollo Tyres Global R & D B.V.	0.69	-	-	-	0.69
Apollo Tires (US) INC.	1,063.93	-	-	-	1,063.93
	3,516.03	**59.45**	**-**	**-**	**3,575.48**
Other current assets					
Apollo Tyres Africa (Pty) Ltd	117.32	-	-	-	117.32
Apollo Tyres (NL) B.V.	63.13	-	-	-	63.13
Apollo Tyres Thailand Ltd.	59.00	-	-	-	59.00
PTL Enterprises Ltd.	-	51.74	-	-	51.74
Classic Industries and Exports Ltd.	-	263.31	-	-	263.31
Apollo Tyres (Hungary) Kft	27.36	-	-	-	27.36
Apollo Tyres Middle East Fze.	28.20	-	-	-	28.20
Apollo Tyres Co-Operatief U.A	10.53	-	-	-	10.53
Apollo Tyres Global R&D B.V	9.03	-	-	-	9.03
Apollo Tyres Holdings (Singapore) Pte Ltd.	14.26	-	-	-	14.26
Apollo Tires (US) INC.	16.70	-	-	-	16.70
Apollo Tyres (UK) Holdings Ltd.	8.39	-	-	-	8.39
Apollo Tyres Centre of Excellence Limited	1.67	-	-	-	1.67
	355.59	**315.05**	**-**	**-**	**670.64**

C. Notes

Forming Part of the Financial Statements

17 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd..)

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.

18 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

₹ Million

Particulars	Outstanding as at the end of the year	Maximum amount outstanding during the year	Investments outstanding and maximum balance during the year
Subsidiaries			
Year ended March 31, 2023			
Apollo Tyres Cooperatief U.A	-	-	23,973.19
Apollo Tyres (Green Field) B.V.	-	-	2.74
Apollo Tyres Centre of Excellence Limited	-	-	115.13
Year ended March 31, 2022			
Apollo Tyres Cooperatief U.A	-	-	23,973.19
Apollo Tyres (Green Field) B.V.	-	-	2.74
Apollo Tyres Centre of Excellence Limited	-	-	50.00
Associates			
Year ended March 31, 2023			
KT Telematic Solutions Private Limited	-	-	45.01
Year ended March 31, 2022			
KT Telematic Solutions Private Limited	-	-	45.01

19 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.

20 Events after the balance sheet date

The Board of Directors have recommended a final dividend of ₹ **4.00** per share amounting to ₹ **2,540.40** Million and a Special Dividend of ₹ **0.50** per share amounting to ₹ **317.55** Million on occasion of 50th Annual General Meeting (AGM) of the Company, aggregating to ₹ **4.50** (₹ 3.25) per share amounting to ₹ **2,857.95 Million** (₹ 2,064.08 Million) on equity shares of Re. 1/- each for the year, subject to approval from Shareholders.

C. Notes

Forming Part of the Financial Statements

21 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.

ii) 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.

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Apollo Tyres Cooperatief U.A	1,471.39	1,849.54
Total	**1,471.39**	**1,849.54**

22 Reconciliation of liabilities from financing activities

₹ Million

Particulars	As at April 01, 2022	Cash flows	Non cash changes				As at March 31, 2023
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	41,858.71	(1,555.20)	403.76	-	-	38.30	40,745.57
Current borrowings	2,004.18	(2,000.00)	-	-	-	5.58	9.76
Lease liability	5,516.35	(1,363.31)	-	414.32	507.32	(137.33)	4,937.35

₹ Million

Particulars	As at April 01, 2021	Cash flows	Non cash changes				As at March 31, 2022
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	42,460.45	(599.08)	(14.39)	-	-	11.73	41,858.71
Current borrowings	1,004.85	1,000.00	-	-	-	(0.67)	2,004.18
Lease liability	5,351.07	(1,340.64)	-	455.53	1,120.02	(69.63)	5,516.35

* Foreign exchange movement is hedged by derivative instrument.

23 Ageing of Trade Payables

₹ Million

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	306.28	-	-	-	-	306.28
Others	3,399.31	16,716.64	2,764.94	89.93	853.92	160.06	23,984.80
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**3,399.31**	**17,022.92**	**2,764.94**	**89.93**	**853.92**	**160.06**	**24,291.08**

C. Notes

Forming Part of the Financial Statements

23 Ageing of Trade Payables (Contd..)

₹ Million

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	337.63		-	-	-	337.63
Others	3,331.26	19,214.08	3,946.18	853.92	-	160.06	27,505.50
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**3,331.26**	**19,551.71**	**3,946.18**	**853.92**	**-**	**160.06**	**27,843.13**

Include amount of ₹ 4,176.61 million (₹ 3,673.63 million) which are interest bearing in nature and payable to banks at the behest of certain vendors.

24 Ageing of Trade Receivables

₹ Million

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	15,257.52	626.42	-	-	-	-	15,883.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	24.40	24.40
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**15,257.52**	**626.42**	**-**	**-**	**-**	**24.40**	**15,908.34**

₹ Million

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	12,682.79	2,740.22	-	-	-	-	15,423.01
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	24.40	24.40
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-

C. Notes

Forming Part of the Financial Statements

24 Ageing of Trade Receivables (Contd..)

₹ Million

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**12,682.79**	**2,740.22**	**-**	**-**	**-**	**24.40**	**15,447.41**

Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

The amount received from customers under the recurring advance scheme (RAS) have been reclassified from trade receivable to other current liabilities (Note B19) and provision for schemes & discounts is reclassified from other current liabilities (Note B19) to trade receivables.

25 Capital Work in Progress (CWIP) and intangible assets under development

a) Ageing schedule

₹ Million

Particulars	As at March 31, 2023				
	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in Progress	955.01	92.82	44.96	66.43	1,159.22
Intangible assets under development	168.10	17.63	-	-	185.73
Total	**1,123.11**	**110.45**	**44.96**	**66.43**	**1,344.95**

₹ Million

Particulars	As at March 31, 2022				
	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in Progress	3,919.90	650.17	247.71	600.74	5,418.52
Intangible assets under development	31.45	13.86	14.41	2.11	61.83
Total	**3,951.35**	**664.02**	**262.13**	**602.86**	**5,480.36**

b) Changes in the carrying value of capital work in progress and intangible assets under development:

₹ Million

Particulars	Capital work-in-progress	Intangible assets under development	Total
Carrying value			
As at April 01, 2021	10,256.69	42.86	10,299.55
Additions	18,234.39	218.22	18,452.61
Capitalised	23,072.55	199.25	23,271.80
As at March 31, 2022	**5,418.53**	**61.83**	**5,480.36**

C. Notes

Forming Part of the Financial Statements

25 Capital Work in Progress (CWIP) and intangible assets under development (Contd..)

b) Changes in the carrying value of capital work in progress and intangible assets under development:

₹ Million

Particulars	Capital work-in-progress	Intangible assets under development	Total
Additions	4,209.17	304.82	**4,513.99**
Capitalised	8,468.48	180.92	8,649.40
As at March 31, 2023	**1,159.22**	**185.73**	**1,344.95**

c) There are no projects which are temporarily suspended

d) There is no project in CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

26 Analytical Ratios

₹ Million

	March 31, 2023	March 31, 2022	Variance	Reasons
Current ratio (in times) (Current assets / Current liabilities)	0.96	0.91	5.17%	
Debt equity ratio (in times) [Total debt / equity]	0.41	0.46	(10.67%)	
Debt service coverage ratio (in times) # [(Profit after tax + interest expense + depreciation & amortisation expense + exceptional items + loss/(gain) on sale of fixed assets) / (Gross interest + lease payment + repayment of non-current borrowings excluding pre-payments)]	1.65	1.37	20.24%	
Return on equity (ROE) (Net Profits after taxes – Preference Dividend (if any)/ Average Shareholder's Equity)	5.96%	2.75%	116.81%	Higher profitability led to increase in return on equity.
Inventory turnover (in times) # [Revenue from operations / Average inventory]	7.30	6.45	13.11%	
"Trade receivables turnover (in times) # [Revenue from operations / Average trade receivables]"	11.05	10.78	2.54%	
Trade payables turnover (in times) # (Net Purchases/ Average Trade Payables)	4.42	4.41	0.21%	
Net capital turnover ratio (Revenue from operation/ Working capital)	26.56	130.02	(79.57%)	Higher working capital led to reduction in capital turnover ratio
Net profit margin (in %) [Profit after tax / Revenue from operations]	3.35%	1.78%	87.71%	Lower expenses led to increase in net profit margin.
Return on capital employed (ROCE) (Earning before interest and taxes/ Capital Employed)	8.66%	5.02%	72.41%	Higher profitability led to increase in return on capital employed
Return on investment ((Interest on bankl deposits + gain on mutual funds)/ average current investment)	2.15%	2.68%	(19.72%)	

C. Notes

Forming Part of the Financial Statements

27 The Company's revenue disaggregated by geographical markets is as follows:

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	142,976.62	120,413.18
Rest of the world	25,922.47	22,654.69
Total	**168,899.09**	**143,067.87**

Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price (as invoiced)	175,738.21	148,008.91
Reduction towards variable consideration components	(6,839.12)	(4,941.04)
Revenue from contract with customers	**168,899.09**	**143,067.87**

Contract balances

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables	15,883.94	15,423.01
Advance from customers	10,694.51	10,618.24

The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivables are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company performs under the contract.

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 ₹ **Nil million** (₹ 12.68 million) for the year ended March 31, 2023, has been disclosed as an exceptional item.

29 Earnings per share (EPS) – the numerator and denominator used to calculate basic and diluted earnings per share

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	5,787.38	2,610.64
The weighted average number of equity shares outstanding during the year used as denominator - (B)	635,100,946	635,100,946
Basic and diluted earnings per share (₹) – (A) / (B) (Face value of Re 1 each)	**9.11**	**4.11**

C. Notes

Forming Part of the Financial Statements

30 During the previous year, the Company had invested ₹ **93.30** million by purchasing 11,66,250 equity shares and in current year further invested ₹ **2.70** million by purchasing 33,750 equity shares of CSE Deccan Solar Private Limited, totalling an equity stake of **27.27%** as on March 31, 2023, to get a guaranteed supply of 40 million units of electricity per annum for its Chennai Plant. This amount is refundable after the tenure. Consequent to this investment, CSE Deccan Solar Private Limited has been considered an Associate Company as per the requirement of Companies Act, 2013. However, as per the provisions of IND AS 28 - Investment in Associates and Joint Ventures, the said investment made by the Company is in the form of a deposit which will be returned to the Company at the end of the tenure with no residual interest. Therefore, this investment has been accounted for as per the provisions of IND AS 109 Financial Instruments.

31 Previous year's figures has been regrouped and/ or reclassed wherever necessary to confirm to the current year's groupings and classifications.

32 Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The company has not been declared a wilful defaulter by any bank or financial institution or any of the lenders.

(ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

See accompanying notes forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Independent Auditor's Report

To the Members of Apollo Tyres Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Apollo Tyres Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance sheet as at March 31 2023, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Group, associate, joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Provision for sales related obligations *(as described in Note B8, B16 and B22 of the consolidated financial statements)*	
The Group provides various incentives, discounts and warranty to its customers. These sales related obligations require accruals based on the commitments, established trade practices and historical trends and other assumptions which are inherently judgmental including those relating to outflow of resources. The accruals amounts to INR 8,032 Million as at March 31, 2023.	The procedures performed by us in respect of the entity audited by us and by other component auditors in respect of entities where we are not the auditors wherever required, included the following: • Evaluated the design and tested the operating effectiveness of key controls in respect of accounting of these obligations;

Key audit matters	How our audit addressed the key audit matter
Considering the materiality of above matter to the financial statements, complexities and significant judgement involved in making the above estimate, we have identified this as a key audit matter for the current year audit.	• Obtained from the management a list of documents supporting the commitments made to the customers; • Tested on a sample basis expenses for obligations recorded during the year; • Evaluated reasonableness of year end accrual through testing of the underlying data and assumptions involved on a sample basis and assessed the relevance and reliability of underlying data. • Assessed the adequacy of disclosures made in the consolidated financial statements;
Tax litigations and claims *(as described in Note C12 of the consolidated financial statements)*	
The Group has many outstanding tax related litigations and claims with tax authorities. Evaluation of the outcome of these matters requires significant judgement by the management given the complexities involved. including estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of the ranges of potential financial settlement. Accordingly, we have identified this as a key audit matter for the current year audit.	The procedures performed by us in respect of the entity audited by us and by other component auditors in respect of entities where we are not the auditors, included the following: • Evaluated the design and tested the operating effectiveness of controls in respect of identification and evaluation of taxation related demands, proceedings and related provisions; • Obtained a list of taxation related litigations and claims from the management and identified material litigations/ claims; • In relation to such identified material litigations/ claims, involved tax specialists to perform an assessment of the conclusions reached by management; • Obtained independent confirmations from the Company's external lawyers/advisors with respect to the material litigations/ claims and demands, wherever involved; • Evaluated the reasonableness of management's assumptions, estimates and judgments by testing the underlying documents and assessments shared by the management for material matters; • Assessed the adequacy of disclosures made in the consolidated financial statements.
Recoverability of goodwill, trademarks and other intangibles having indefinite useful lives *(as described in Note C3 of the consolidated financial statements)*	
The Group carries goodwill amounting to INR 2,288 million and other intangibles having indefinite useful lives amounting to INR 1,560 million pertaining to acquisition of Reifencom GmbH, ('Reifencom')in its consolidated balance sheet as at March 31, 2023. The impairment assessment of the cash generating unit (CGU) to which these intangibles assets have been allocated is complex and highly judgmental as it requires significant estimates such as growth in revenue and operating margin, discount rate and terminal value for determining the Value-In-Use at the CGU level. Considering the significant level of judgement we have identified this as a key audit matter for the current year audit.	Our audit procedures included the following: • Obtained an understanding from the management with respect to process and controls followed by the Group to perform annual impairment test of goodwill and intangibles having indefinite useful lives; • Obtained the impairment analysis model from the management and assessed their conclusions; • Verified the operating margins, discount rates and revenue growth applied in the model, with the involvement of valuation specialists and performed sensitivity analysis; • Obtained and evaluated reasonableness of the future growth considering historical trends and industry benchmark; • Assessed the adequacy of disclosures made in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report on Corporate Governance, Business Responsibility and Sustainability Report, Management Discussion and Analysis 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 identified above and, in doing so, consider whether such 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 for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective 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 Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 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

(a) We did not audit the financial statements and other financial information, in respect of 14 subsidiaries, whose financial statements include total assets of INR 103,730 million as at March 31, 2023, and total revenues of INR 133,820 million and net cash outflows of INR 2,082 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of INR 5,304 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate, is based solely on the reports of such other auditors.

    Certain of these 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 in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The consolidated financial statements of the Company for the year ended March 31, 2022, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 12, 2022.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and associate company, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company and associate company, none of the directors of the Group's company and its associate, incorporated in India, is disqualified as on March 31, 2023 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 consolidated financial statements of the Holding Company and its subsidiary company and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary and associate company incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiary and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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 subsidiary and associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated financial statements – Refer Note C12 to the consolidated financial statements;

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note C9 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and its joint venture and (b) the Group's share of net profit in respect of its associate and joint venture;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associate incorporated in India during the year ended March 31, 2023.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented to the best of its knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary and associate company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The dividend paid by the Holding Company, its subsidiary and associate company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note C20 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXK6734
Place: Gurugram
Date: May 09, 2023

Annexure '1' Referred To In Paragraph Under The Heading "Report On Other Legal And Regulatory Requirements" Of Our Report Of Even Date

Re: Apollo Tyres Limited (the "Company")

According to the information and explanations given to us and procedures performed by us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxvi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXK6734
Place: Gurugram
Date: May 09, 2023

Annexure '2' To The Independent Auditor's Report of Even Date On The Consolidated Financial Statements Of Apollo Tyres Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Apollo Tyres Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate , which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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.

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 consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company & its subsidiaries & associates which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the 1 subsidiary and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXK6734
Place: Gurugram
Date: May 09, 2023

Consolidated Balance Sheet
as at March 31, 2023

₹ Million

	Notes	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	B1	158,855.99	157,903.01
(b) Capital work-in-progress	C25	1,993.59	5,947.39
(c) Right of use assets	C4	7,998.33	8,479.34
(d) Goodwill	C3	2,288.21	2,158.07
(e) Other intangible assets	B1	7,386.83	7,372.81
(f) Intangible assets under development	C25	532.03	234.95
(g) Financial assets			
i. Investment in associate / joint venture	B2	49.82	48.03
ii. Other investments	B3	290.94	258.54
iii. Other financial assets	B4	4,115.74	3,985.10
(h) Deferred tax assets (net)	C6	718.92	1,045.22
(i) Other non-current assets	B5	774.65	915.95
Total non-current assets		**185,005.05**	**188,348.41**
2. Current assets			
(a) Inventories	B6	44,284.62	41,553.86
(b) Financial assets			
i. Investments	B7	4,016.94	4,506.06
ii. Trade receivables	B8	24,885.34	20,512.92
iii. Cash and cash equivalents	B9	8,360.11	8,706.36
iv. Bank balances other than (iii) above	B10	102.21	2,100.20
v. Other financial assets	B11	2,022.64	2,038.34
(c) Other current assets	B12	4,915.19	3,691.89
Total current assets		**88,587.05**	**83,109.63**
Total Assets (1+2)		**273,592.10**	**271,458.04**
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Share capital	B13	635.10	635.10
(b) Other equity	B14	128,142.73	116,886.22
Total equity		**128,777.83**	**117,521.32**
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	B15	37,898.44	44,084.74
ii. Lease liabilities	C4	6,141.74	6,404.61
(b) Provisions	B16	1,347.23	1,479.59
(c) Deferred tax liabilities (net)	C6	9,593.99	9,013.56
(d) Other non-current liabilities	B17	9,728.97	11,906.22
Total non-current liabilities		**64,710.37**	**72,888.72**
3. Current liabilities			
(a) Financial liabilities			
i. Borrowings	B18	17,978.06	17,851.86
ii. Lease liabilities	C4	2,187.06	2,267.94
iii. Trade payables	B19		
- Total outstanding dues of micro enterprises and small enterprises		306.28	337.63
-Total outstanding dues of creditors other than micro enterprises and small enterprises		33,232.22	34,971.82
iv. Other financial liabilities	B20	4,408.25	5,028.44
(b) Other current liabilities	B21	18,793.79	17,725.02
(c) Provisions	B22	2,144.64	2,004.88
(d) Current tax liabilities (net)	B23	1,053.60	860.41
Total current liabilities		**80,103.90**	**81,048.00**
Total Equity And Liabilities (1+2+3)		**273,592.10**	**271,458.04**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ Million

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	**Revenue from operations**			
	Sale of products	C27	241,223.24	205,808.14
	Other operating income	B24	4,458.06	3,667.64
			245,681.30	**209,475.78**
2.	**Other income**	B25	410.92	1,234.81
3.	**Total income (1 +2)**		**246,092.22**	**210,710.59**
4.	**Expenses**			
	(a) Cost of materials consumed	B26A	122,619.59	109,554.29
	(b) Purchase of stock-in-trade	B26B	26,782.74	22,060.30
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		(3,031.77)	(7,759.56)
	(d) Employee benefits expense	B26C	26,199.21	25,742.37
	(e) Finance costs	B27	5,312.35	4,444.23
	(f) Depreciation and amortisation expense	B1	14,191.42	13,996.73
	(g) Other expenses	B26D	39,975.00	34,137.37
	Total expenses		**232,048.54**	**202,175.73**
5.	**Profit before share of profit in associate / joint venture, exceptional items and tax (3 - 4)**		14,043.68	8,534.86
6.	Share of profit in associate / joint venture		2.42	0.96
7.	**Profit before exceptional items and tax (5 + 6)**		14,046.10	8,535.82
8.	Exceptional items	C28	(225.77)	59.08
9.	**Profit before tax (7 - 8)**		**14,271.87**	**8,476.74**
10.	**Tax expense**	C6		
	(a) Current tax		2,506.93	947.96
	(b) Deferred tax		718.58	1,142.78
	Total tax expense		**3,225.51**	**2,090.74**
11.	**Profit for the year (9 - 10)**		**11,046.36**	**6,386.00**
12.	**Other comprehensive income / (loss)**			
	I i. Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain / (loss) of defined benefit plans		328.89	35.20
	ii. Income tax		(85.24)	(3.79)
			243.65	**31.41**
	II i. Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		1,989.27	(1,203.02)
	(b) Effective portion of gain / (loss) on designated portion of hedging instruments in cash flow hedge		63.50	151.36
	ii. Income tax		(22.19)	(52.89)
			2,030.58	**(1,104.55)**
	Other comprehensive income / (loss) (I + II)		**2,274.23**	**(1,073.14)**
	Total comprehensive income for the year (11 + 12)		**13,320.59**	**5,312.86**
	Earnings per share (of ₹ 1 each)	C29		
	(a) Basic (₹)		17.39	10.06
	(b) Diluted (₹)		17.39	10.06

See accompanying notes forming part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Consolidated Statement of Changes in Equity
for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

₹ Million

Particulars	Amount
Balance as at March 31, 2021	**635.10**
Changes during the year	-
Balance as at March 31, 2022	**635.10**
Changes during the year	-
Balance as at March 31, 2023	**635.10**

B. OTHER EQUITY

₹ Million

Particulars	Reserves and surplus									Items of other comprehensive income			Total
	Securities premium	General reserve	Capital reserve on consolidation	Capital reserve on AMHPL merger	Debenture 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 at 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**
Profit for the year	-	-	-	-	-	-	-	-	6,386.00	-	-	-	6,386.00
Other Comprehensive income (OCI) for the year (net)	-	-	-	-	-	-	-	-	-	98.47	-	(1,203.02)	(1,104.55)
Remeasurement of defined benefit plans (net)	-	-	-	-	-	-	-	-	31.41	-	-	-	31.41
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	-	**6,417.41**	**98.47**	-	**(1,203.02)**	**5,312.86**
Transfer from retained earnings	-	1,000.00	-	-	-	-	-	-	(1,000.00)	-	-	-	-
Payment of dividend (₹ 3.50 per share)	-	-	-	-	-	-	-	-	(2,222.85)	-	-	-	(2,222.85)
Balance as at March 31, 2022	**31,317.67**	**17,006.63**	**2,664.95**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**67,150.01**	**1.16**	**31.22**	**(3,778.57)**	**116,886.22**
Profit for the year	-	-	-	-	-	-	-	-	11,046.36	-	-	-	11,046.36
Other Comprehensive income (OCI) for the year (net)	-	-	-	-	-	-	-	-	-	41.31	-	1,989.27	2,030.58
Remeasurement of defined benefit plans (net)	-	-	-	-	-	-	-	-	243.65	-	-	-	243.65
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	-	**11,290.01**	**41.31**	-	**1,989.27**	**13,320.59**
Payment of dividend (₹ 3.25 per share)	-	-	-	-	-	-	-	-	(2,064.08)	-	-	-	(2,064.08)
Balance as at March 31, 2023	**31,317.67**	**17,006.63**	**2,664.95**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**76,375.94**	**42.47**	**31.22**	**(1,789.30)**	**128,142.73**

See accompanying notes forming part of the consolidated financial statements
As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ Million

		For the year ended March 31, 2023		For the year ended March 31, 2022	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
(i)	**Net profit before tax**		**14,271.87**		**8,476.74**
	Adjustments for				
	Depreciation and amortisation expense	14,191.42		13,996.73	
	Profit on sale of property, plant and equipment (net)	(39.89)		(90.22)	
	Gain from current investments	(55.19)		(24.15)	
	Provision for doubtful debts / advances	71.76		57.61	
	Provisions / liabilities no longer required written back	(204.59)		(33.62)	
	Finance cost	5,312.35		4,444.23	
	Interest income	(257.08)		(402.98)	
	Exceptional item	(225.77)		-	
	Unwinding of deferred income	(2,266.57)		(1,540.68)	
	Unwinding of state aid subsidy	(160.21)		(183.29)	
	Share of (profit) / loss in associate / joint venture	(2.42)		(0.96)	
	Unrealized loss / (gain) on foreign exchange fluctuations	591.97		(113.28)	
	Effect of foreign currency fluctuation arising out of consolidation	174.98	**17,130.76**	0.54	**16,109.93**
(ii)	**Operating profit before working capital changes**		**31,402.63**		**24,586.67**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets				
	Inventories	(1,572.41)		(8,628.18)	
	Trade receivables	(3,671.08)		(3,186.32)	
	Other financial assets (current and non-current)	(164.53)		1,220.43	
	Other assets (current and non-current)	(1,124.75)	**(6,532.77)**	65.56	**(10,528.51)**
	Adjustments for increase / (decrease) in operating liabilities				
	Trade payables	(2,869.58)		7,557.90	
	Other financial liabilities (current and non-current)	397.84		(200.51)	
	Other liabilities (current and non-current)	917.39		1,316.12	
	Provisions (current and non-current)	196.72	**(1,357.63)**	26.21	**8,699.72**
(iii)	**Cash generated from operations**		**23,512.23**		**22,757.88**
	Direct taxes paid (net of refund)		(2,168.34)		(1,222.28)
	Net cash generated from operating activities		**21,343.89**		**21,535.60**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment and intangible assets	(7,745.71)		(18,462.41)	
	Proceeds from sale of property, plant and equipment and intangible assets	141.25		298.75	
	Maturity of / (Investments in) mutual funds, net	544.31		(3,581.23)	
	Non-current investment made, net	(32.70)		(108.36)	
	Maturity of fixed deposits, net	2,000.00		9,650.00	
	Interest received	331.45		481.62	
	Net cash used in investing activities		**(4,761.40)**		**(11,721.63)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from non-current borrowings	5,000.00		14,214.72	
	Repayment of non-current borrowings	(9,064.99)		(21,851.84)	
	(Repayment of) / proceeds from current borrowings (net) (excluding current maturities of non-current borrowings)	(3,419.00)		5,761.98	
	Payment of dividend	(2,064.08)		(2,222.85)	
	Payment of principal portion of lease liabilities	(2,108.57)		(2,182.26)	
	Payment of interest on lease liabilities	(468.18)		(511.81)	
	Finance charges paid	(4,793.42)		(4,021.92)	
	Net cash used in financing activities		**(16,918.24)**		**(10,813.98)**
	Net decrease in cash and cash equivalents (A+B+C)		**(335.75)**		**(1,000.01)**

Consolidated Cash Flow Statement(Contd.)

for the year ended March 31, 2023

₹ Million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents as at the beginning of the year	8,706.36	9,713.49
Less: Cash credits as at the beginning of the year	4.18	4.85
	8,702.18	**9,708.64**
(Gain) / loss on re-statement of foreign currency cash and cash equivalents	22.63	16.18
Adjusted cash and cash equivalents as at the beginning of the year	8,724.81	**9,724.82**
Cash and cash equivalents as at the end of the year	8,360.11	8,706.36
Less: Cash credits as at the end of the year	9.76	4.18
	8,350.35	**8,702.18**
(Gain) / loss on re-statement of foreign currency cash and cash equivalents	38.71	22.63
Adjusted cash and cash equivalents as at the end of the year	8,389.06	**8,724.81**

The above consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows"

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

A. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Apollo Tyres Limited ('the Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') for the year ended March 31, 2023. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is Apollo Tyres ltd, 3rd Floor, Areekal mansion, Panampilly Nagar, Kochi 682036, India.

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 Tyres (NL) B.V and Apollo Tyres (Hungary) Kft. have a manufacturing plant in the Netherlands and Hungary respectively. It also has sales and marketing subsidiaries across the globe.

2. RECENT ACCOUNTING PRONOUNCEMENTS

2.1 Amended standards adopted by the Group

(i) Reference to the Conceptual Framework – Amendment to Ind AS 103

The amendment replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendment also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendment also adds a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

This amendment had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendment that arose during the period.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendment to Ind AS 16

The amendment modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2022. This amendment had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

This amendment had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments which were covered by amendment.

(iv) Onerous Contracts – Costs of Fulfilling a Contract – Amendment to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendment specifies that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

2.2 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

(i) Definition of Accounting Estimates - Amendment to Ind AS 8

The amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendment is effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendment is not expected to have a material impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendment to Ind AS 1

The amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendment has been made in Ind AS 107. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendment to Ind AS 12

The amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendment has been made in Ind AS 101. The amendment to Ind AS 12 are applicable for annual periods beginning on or after April 1, 2023.

This amendment is likely to have an impact on the Group's financial statement which is currently being assessed by the management. Any necessary adjustment required shall be accounted for in the next period financial statements.

3. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared to comply in all respects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS'). notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS

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, 2023 were authorised and approved for issue by the Board of Directors on May 09, 2023.

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. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

The significant accounting policies are set out below:

3.3 Basis of consolidation

The consolidated financial statement includes the financial statements of the Company, its subsidiaries and the entities controlled by the Group as at March 31, 2023. 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. Assets, liabilities, 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.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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 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 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated 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 recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associate and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not 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. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The Group intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.8 Property, plant and equipment (PPE)

Property, plant and equipment 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.

For qualifying assets, borrowing costs are capitalised in accordance with the Ind AS 23 *Borrowing Costs*. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 also capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure meets the recognition criteria.

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.

The group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

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

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.

*Leasehold improvements included in Building are amortised over their period of lease or useful life, whichever is lower

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. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The intangible assets are amortised over their respective 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 is reviewed at the end of each financial year and the changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, which are treated as changes in accounting estimates.

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.

The useful life considered for the major intangible assets are as under:

Category of assets	Number of years
Computer software	3 - 6
Capitalised development	6

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 or services to customers in exchange for those goods or services. The relevant point in time or period of time is the transfer of control of the goods or services (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. Variable consideration includes various forms of sales related obligations like volume discounts, price concessions, incentives etc. on the goods sold or services rendered to its customers, dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts. The transaction price is determined and allocated to the performance obligation according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods or services is transferred to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods or services, the Group considers the effects of variable consideration, the existence of significant financing components, if any.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 3.21 Financial Instruments in accounting policies.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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.

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

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 directly recognised 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.

The obligations 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 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 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 and subsidies 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 which is disclosed as investment promotion subsidy receivable 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 and subsidies related to the income are deferred which is disclosed as deferred revenue arising from government grant in consolidated balance sheet 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 and disclosed under other operating income.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

3.14 Foreign currency transaction and translations

The Group's financial statements are presented in INR which is also the Group's functional currency. 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 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 cost includes interest on other contractual obligations.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.16 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 and interest 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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.

3.21 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.

3.21.1 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.

3.21.2 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, 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 and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.21.3 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.

3.21.4 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.

3.22 Financial liabilities and equity instruments

3.22.1 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.

3.22.2 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.

3.22.3 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:

3.22.3.1 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.

3.22.3.2 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.

In respect to the purchase of raw material by the group from certain vendors, the payments are made to the respective banks at the request of the vendors. Accordingly, in compliance with the provisions of Ind AS 109, such payables to banks are disclosed as Trade payables and are subsequently measured at amortised cost using the effective interest method. Interest borne by the group on such arrangements is disclosed as finance cost.

3.22.3.3 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.

3.22.3.4 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.

3.23 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.

3.24 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.

3.25 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.

3.26 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) 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.

3.27 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.

3.28 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 (including MAT Credit) and liabilities, Sales related obligations covering discounts and incentive schemes, contingencies in relation tax litigation matters and valuation of financial instruments.

B. NOTES

Forming Part of the Consolidated Financial Statements

B1 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS AT MARCH 31, 2023

₹ Million

Description of assets	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 1, 2022	Additions	Disposals/ Adjustments	Effect of foreign currency translation	As at March 31, 2023	As at April 1, 2022	Depreciation / amortisation expense	Eliminated on disposal of assets/ Adjustments	Impairment reversal #	Effect of foreign currency translation	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A. Property, plant and equipment - owned unless otherwise stated													
Freehold land	2,797.97	528.30	-	112.33	3,438.60	-	-	-	-	-	-	3,438.60	2,797.97
Buildings	39,085.67	1,224.30	22.93	604.11	40,891.15	9,343.22	1,211.14	7.23	-	228.56	10,775.69	30,115.46	29,742.45
Plant and equipment *	200,416.15	6,997.44	8,181.57	3,111.82	202,343.84	81,879.61	8,409.56	8,173.44	(141.10)	2,169.40	84,144.03	118,199.81	118,536.54
Electrical installations	7,223.79	521.19	11.27	90.98	7,824.69	2,613.86	436.95	11.27	-	24.94	3,064.48	4,760.21	4,609.93
Furniture and fixtures	4,009.30	337.28	12.78	67.55	4,401.35	2,973.34	273.66	12.75	-	57.95	3,292.20	1,109.15	1,035.96
Vehicles	1,536.83	246.02	207.38	23.71	1,599.18	768.96	162.41	129.10	-	23.31	825.58	773.60	767.87
Office equipment	1,871.24	246.85	1.82	60.24	2,176.51	1,458.95	211.05	1.33	-	48.68	1,717.35	459.16	412.29
Total tangible assets	**256,940.95**	**10,101.38**	**8,437.75**	**4,070.74**	**262,675.32**	**99,037.94**	**10,704.77**	**8,335.12**	**(141.10)**	**2,552.84**	**103,819.33**	**158,855.99**	**157,903.01**
B. Other intangible assets													
Computer software	5,704.87	389.36	-	220.20	6,314.43	4,313.50	396.11	-	-	206.38	4,915.99	1,398.44	1,391.37
Trademarks	2,260.56	-	-	137.66	2,398.22	47.68	0.36	-	-	1.86	49.90	2,348.32	2,212.88
Capitalised development	8,141.20	539.98	-	485.19	9,166.37	4,722.80	833.75	-	-	341.03	5,897.58	3,268.79	3,418.40
Other intangibles	363.59	-	-	21.94	385.53	13.43	-	-	-	0.82	14.25	371.28	350.16
Total other intangible assets	**16,470.22**	**929.34**	**-**	**864.99**	**18,264.55**	**9,097.41**	**1,230.22**	**-**	**-**	**550.09**	**10,877.72**	**7,386.83**	**7,372.81**
Total (A + B)	**273,411.17**	**11,030.72**	**8,437.75**	**4,935.73**	**280,939.87**	**108,135.35**	**11,934.99**	**8,335.12**	**(141.10)**	**3,102.93**	**114,697.05**	**166,242.82**	**165,275.82**

B1 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS AT MARCH 31, 2022

₹ Million

Description of assets	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION						NET BLOCK	
	As at April 1, 2021	Additions	Disposals/ Adjustments	Effect of foreign currency translation	As at March 31, 2022	As at April 1, 2021	Depreciation/ amortisation expense	Eliminated on disposal of assets/ Adjustments	Impairment reversal	Effect of foreign currency translation	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
A. Property, plant and equipment - owned unless otherwise stated													
Freehold land	2,747.85	107.24	-	(57.12)	2,797.97	-	-	-	-	-	-	2,797.97	2,747.85
Buildings	37,061.02	2,595.21	117.15	(453.41)	39,085.67	8,265.61	1,198.16	20.55	-	(100.00)	9,343.22	29,742.45	28,795.41
Plant and equipment *	182,333.35	20,798.98	722.65	(1,993.53)	200,416.15	75,523.88	8,052.74	654.96	-	(1,042.05)	81,879.61	118,536.54	106,809.47
Electrical installations	6,766.85	569.16	1.05	(111.17)	7,223.79	2,204.55	429.34	1.05	-	(18.98)	2,613.86	4,609.93	4,562.30
Furniture and fixtures	3,665.99	382.44	13.78	(25.35)	4,009.30	2,641.48	368.51	13.78	-	(22.87)	2,973.34	1,035.96	1,024.51
Vehicles	1,347.82	365.15	168.43	(7.71)	1,536.83	757.07	144.82	125.92	-	(7.01)	768.96	767.87	590.75
Office equipment	1,833.72	71.18	13.71	(19.95)	1,871.24	1,291.13	196.06	12.00	-	(16.24)	1,458.95	412.29	542.59
Total tangible assets	**235,756.60**	**24,889.36**	**1,036.77**	**(2,668.24)**	**256,940.95**	**90,683.72**	**10,389.63**	**828.26**	**-**	**(1,207.15)**	**99,037.94**	**157,903.01**	**145,072.88**
B. Other intangible assets													
Computer software	5,175.36	627.38	1.61	(96.26)	5,704.87	3,997.32	387.32	1.61	-	(69.53)	4,313.50	1,391.37	1,178.04
Trademarks	2,304.85	-	-	(44.29)	2,260.56	47.93	0.38	-	-	(0.63)	47.68	2,212.88	2,256.92
Capitalised development	8,537.27	465.02	669.88	(191.21)	8,141.20	4,685.05	813.88	669.86	-	(106.27)	4,722.80	3,418.40	3,852.22
Other intangibles	371.27	-	-	(7.68)	363.59	13.72	-	-	-	(0.29)	13.43	350.16	357.55
Total other intangible assets	**16,388.75**	**1,092.40**	**671.49**	**(339.44)**	**16,470.22**	**8,744.02**	**1,201.58**	**671.47**	**-**	**(176.72)**	**9,097.41**	**7,372.81**	**7,644.73**
Total (A + B)	**252,145.35**	**25,981.76**	**1,708.26**	**(3,007.68)**	**273,411.17**	**99,427.74**	**11,591.21**	**1,499.73**	**-**	**(1,383.87)**	**108,135.35**	**165,275.82**	**152,717.61**

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Property, plant and equipment	10,704.77	10,389.63
Right of use assets (refer note C4)	2,256.43	2,405.52
Other intangible assets	1,230.22	1,201.58
Total	**14,191.42**	**13,996.73**

*Plant and equipment include jointly owned assets with gross book value of ₹ **311.28 Million** (₹ 311.28 Million) and net book value of ₹ **188.01 Million** (₹ 200.55 Million) which represents 50% ownership in those assets.

#Refer note C28

(a) Includes borrowing cost capitalised to the extent of ₹ **214.50 Million** (₹ 442.12 Million) including ₹ **116.95 Million** (Nil) capitalised from CWIP of previous year.

(b) Buildings include buildings constructed on leasehold land with gross book value of ₹ **13,974.22 Million** (₹ 13,488.13 Million) and net book value of ₹ **9,334.21 Million** (₹ 9,325.27 Million).

(c) Refer note B15(a) for details on pledges and securities.

(d) Freehold land includes land of ₹ **528.30 Million** (₹ Nil) acquired through the agreement to sale and is in the process of getting the title deeds transferred to its name.

FINANCIAL ASSETS (NON-CURRENT)

B2 INVESTMENT IN ASSOCIATE / JOINT VENTURE

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Accounted for using the equity method) Unquoted investments		
(a) Investment in associate:		
3,334 (3,334) equity shares of ₹ 10 each in KT Telematic Solutions Private Limited - fully paid up *	49.82	48.03
(b) Investment in joint venture:		
9,550 (9,550) units in Pan Aridus LLC, fully impaired	-	-
	49.82	48.03

*includes Company's cumulative share in profit of ₹ **4.81 Million** (₹ 3.02 Million)

B3 OTHER INVESTMENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(At fair value through profit and loss)		
Other companies:		
A Quoted Investments *		
Investment in equity instruments:	2.06	2.36
16,394 (16,394) equity shares of ₹ 10 each in Bharat Gears Limited - fully paid up	2.06	2.36
B Unquoted investments **		
i Investment in equity instruments / preferred stock:		
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
406,700 (217,100) equity shares of ₹ 11.50 each in OPG Power Generation Private Limited - fully paid up	4.68	2.50
49,358 (49,358) Series C preferred stock of USD 0.0001 each in Visby Medical, Inc (Earlier known as Click Diagnostics, Inc)	73.75	73.75
	149.23	147.05
ii Other investments		
Investment in MHA Capital LP - Series OL	109.13	109.13
Investment in Output Industries Limited	30.52	-
	139.65	109.13
Investments carried at fair value through profit and loss (FVTPL)	290.94	258.54
* Aggregate amount of quoted investments at market value	2.06	2.36
** Aggregate amount of unquoted investments at FVTPL	288.88	256.18

B4 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good and measured at amortised cost unless otherwise stated)		
Employee advances	14.94	22.98
Security deposits	925.92	760.10
Security deposits to related parties (refer note C18)	321.40	315.76
Investment promotion subsidy receivable (refer note C10(a))	1,961.13	1,831.66
Derivative assets measured at fair value (refer note C9)	892.35	1,054.60
	4,115.74	3,985.10

NON-FINANCIAL ASSETS (NON-CURRENT)

B5 OTHER NON-CURRENT ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Capital advances	683.04	461.36
Capital advances to related parties (refer note C18)	-	194.27
Balance with statutory authorities	5.86	2.58
Pension asset (refer note C11)	56.53	33.01
Advance tax (net)	29.22	223.74
Others	-	0.99
	774.65	915.95

CURRENT ASSETS

B6 INVENTORIES (refer note C2)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	8,575.08	9,843.03
- In transit	2,915.95	3,171.57
	11,491.03	13,014.60
(ii) Work-in-progress	2,427.76	2,465.50
(iii) Finished goods		
- In hand	18,648.71	13,863.27
- In transit	1,464.86	1,804.18
	20,113.57	15,667.45
(iv) Stock-in-trade		
- In hand	6,775.53	5,147.35
- In transit	609.42	2,743.79
	7,384.95	7,891.14
(v) Stores and spares	2,867.31	2,515.17
	44,284.62	41,553.86

FINANCIAL ASSETS (CURRENT)

B7 INVESTMENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit and loss:		
Quoted investments		
Investment in mutual funds	4,016.94	4,506.06
	4,016.94	4,506.06

Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
Aditya Birla Sun Life Overnight Fund - Growth Direct Plan	415,692.95	504.01	435,319.86	500.48
Axis Overnight Fund - Direct Growth - ONDG	424,618.12	503.41	445,290.88	500.44
Kotak Overnight Fund - Direct Growth	420,524.72	502.86	442,051.36	501.20
HDFC Overnight Fund - Direct Plan Growth Option	-	-	158,363.19	500.02
ICICI Prudential Overnight Fund - Direct Plan Growth	414,343.91	500.73	4,365,688.39	500.34
IDFC Overnight Fund - Direct Plan Growth	-	-	441,380.74	500.43
Nippon India Overnight Fund - Direct Growth Plan	4,176,122.59	502.66	4,404,201.29	502.60

B7 INVESTMENTS (Contd.)

Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
SBI Overnight Fund Direct Growth	137,282.02	500.98	144,486.08	500.12
UTI Overnight Fund - Direct Growth Plan	163,051.58	500.35	171,971.79	500.43
Bandhan Overnight Fund Direct Plan-Growth	419,831.26	501.94	-	-
	6,571,467.15	4,016.94	11,008,753.58	4,506.06
Aggregate amount of quoted investments at market value		4,016.94		4,506.06

B8 TRADE RECEIVABLES (refer note C24)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured and measured at amortised cost unless otherwise stated)		
Trade receivables considered good *	24,885.34	20,512.92
Trade receivables which have significant increase in credit risk	866.10	858.62
	25,751.44	21,371.54
Provision for loss allowance (refer note C8)	(866.10)	(858.62)
	24,885.34	20,512.92

* includes balances with related parties (refer note C18)

The Group has derecognised trade receivables amounting to ₹ **785.28** million (₹ 858.30 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to financial institution.

B9 CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Balances with banks:		
Current accounts	5,628.28	7,313.23
Other deposit accounts		
- original maturity of 3 months or less	1,385.50	375.90
(ii) Cheques on hand / remittances in transit	1,340.31	1,010.08
(iii) Cash on hand	6.02	7.15
	8,360.11	8,706.36

B10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts*	102.20	100.19
Deposits with maturity exceeding 3 months but less than 12 months	0.01	2,000.01
	102.21	2,100.20

* 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

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good and measured at amortised cost unless otherwise stated)		
Employee advances	139.98	146.11
Other recoverables from related parties (refer note C18)	252.52	315.05
Derivative assets measured at fair value (refer note C9)	278.25	87.29
Security deposits	52.95	43.92
Interest accrued on deposits	0.73	75.10
Investment promotion subsidy receivable (refer note C10(a))	1,181.75	1,181.02
Others	116.46	189.85
	2,022.64	2,038.34

NON-FINANCIAL ASSETS (CURRENT)

B12 OTHER CURRENT ASSETS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Trade advances- considered good	585.43	375.83
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
	585.43	375.83
Export obligations - advance licence benefit	471.47	481.35
Export incentives recoverable	16.42	120.54
Balance with statutory authorities	2,690.79	1,746.04
Gratuity (refer note C11)	299.24	32.57
Prepaid expenses	851.84	935.56
	4,915.19	3,691.89

B13 SHARE CAPITAL

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Authorised		
750,000,000 Nos. (750,000,000 Nos.) equity shares of ₹ 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
	15,750.00	15,750.00
(b) Issued, subscribed, called and fully paid up		
Equity shares of ₹ 1 each:		
635,100,946 Nos. (635,100,946 Nos.) equity shares	635.10	635.10
	635.10	635.10

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹ Million)	Number of shares	Amount (₹ Million)
Opening balance	635,100,946	635.10	635,100,946	635.10
Add: Issued during the year	-	-	-	-
Closing balance	635,100,946	635.10	635,100,946	635.10

(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 at March 31, 2023		As at March 31, 2022	
	Number of shares	%age	Number of shares	%age
Sunrays Properties and Investment Company Private Limited	125,613,324	19.78%	126,593,324	19.93%
Emerald Sage Investment Ltd.	63,050,966	9.93%	63,050,966	9.93%
White IRIS Investment Ltd.	51,054,445	8.04%	51,054,445	8.04%
HDFC Trustee Company Ltd. - A/C its various Fund	54,807,540	8.63%	52,765,288	8.31%
Osiatic Consultants & Investments Pvt.Ltd.	-	-	39,041,880	6.15%
Apollo Finance Limited	76,570,752	12.06%	37,528,872	5.91%

B13 SHARE CAPITAL (Contd.)

(e) Shares held by promoters at the end of the year

S. No.	Promoters	As at March 31, 2023			As at March 31, 2022		
		Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)	Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)
1	Onkar Kanwar	100,000	0.02%	0.00%	100,000	0.02%	0.00%
2	Raaja R S Kanwar	200,880	0.03%	0.00%	200,880	0.03%	0.00%
3	Taru Kanwar	12,250	0.00%	0.00%	12,250	0.00%	0.00%
4	Sunrays Properties and Investment Company Private Limited	125,613,324	19.78%	-0.15%	126,593,324	19.93%	-0.28%
5	Osiatic Consultants & Investments Pvt.Ltd.	-	0.00%	-6.15%	39,041,880	6.15%	0.00%
6	Apollo Finance Limited	76,570,752	12.06%	6.15%	37,528,872	5.91%	0.00%
7	Classic Industries & Exports Ltd.	18,696,005	2.94%	0.12%	17,903,505	2.82%	-0.04%
8	PTL Enterprises Ltd.	10,745,232	1.69%	0.03%	10,557,732	1.66%	0.36%
9	Amit Dyechem Pvt. Ltd.	1,574,595	0.25%	0.00%	1,574,595	0.25%	0.00%
10	Apollo International Ltd.	984,485	0.16%	0.00%	984,485	0.16%	0.00%
11	Global Capital Ltd.	1,000	0.00%	0.00%	1,000	0.00%	0.00%
12	Shalini Kanwar Chand	1,977,000	0.31%	0.00%	1,977,000	0.31%	0.00%
13	Neeraj Kanwar	671,380	0.11%	0.00%	671,380	0.11%	0.00%
14	Simran Kanwar	18,500	0.00%	0.00%	18,500	0.00%	0.00%
		237,165,403	**37.34%**	**0.00**	**237,165,403**	**37.34%**	**0.03%**

(f) 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.

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, 2023 and March 31, 2022, 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.

B14 OTHER EQUITY

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	31,317.67	31,317.67
General reserve	17,006.63	17,006.63
Capital reserve on consolidation	2,664.95	2,664.95
Capital reserve on AMHPL merger	1,383.68	1,383.68
Debenture redemption reserve	1,039.50	1,039.50
Capital subsidy	25.50	25.50
Capital redemption reserve	44.40	44.40
Capital reserve on forfeiture of shares	0.07	0.07
Retained earnings	76,375.94	67,150.01
Effective portion of cash flow hedge	42.47	1.16
Revaluation surplus	31.22	31.22
Foreign currency translation reserve	(1,789.30)	(3,778.57)
Total other equity	**128,142.73**	**116,886.22**

Refer Note C7 - Description of nature and purpose of each reserve

NON - CURRENT LIABILITIES
FINANCIAL LIABILITIES
B15 BORROWINGS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured *		
(i) Debentures	17,226.44	17,122.07
(ii) Term loans		
From banks:		
External commercial borrowings (ECB)	2,596.05	4,785.93
Rupee term loans	11,905.30	13,376.14
Euro term loans	6,150.31	8,774.64
(iii) Deferred payment liabilities:		
Deferred payment credit	20.34	25.96
	37,898.44	44,084.74

*For details regarding repayment terms, interest rate and nature of security on non-current borrowings (refer note B15(a)).

NOTE B15(a)

Non-convertible debentures

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
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	1,499.18	-	1,499.14	-	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	-	1,499.89	1,499.14	-	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	7.50%	Bullet payment on October 21, 2022	Refer note A below
1,500 - 7.80% Non-convertible debentures of ₹ 1 Million each	-	-	-	1,499.14	7.80%	Bullet payment on April 29, 2022	Refer note A below
5,000 - 8.75% Non convertible debentures of ₹ 1 Million each	4,986.84	-	4,984.96	-	8.75%	Bullet payment on April 09, 2030	Refer note A below *
5,000 - 7.70% Non convertible debentures of ₹ 1 Million each	4,992.89	-	4,988.83	-	7.70%	₹ 1,250 Million payable on May 17, 2024 and ₹ 3,750 Million payable on May 16, 2025.	Refer note A below
2,500 - 6.93 % Non Convertible Debentures of ₹ 1 Million each	-	2,498.11	-	-	6.93%	Bullet payment on December 31, 2023	Refer note A below
2,500 - 7.53 % Non Convertible Debentures of ₹ 1 Million each	2,497.53	-	-	-	7.53%	Bullet payment on September 13, 2027	Refer note A below
Total	17,226.44	4,898.00	17,122.07	2,549.14			

NOTE B15(a) (Contd.)

External commercial borrowings (ECB) from banks

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
ECB I	683.11	684.79	1,259.84	631.65	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
ECB II	683.47	684.79	1,259.30	631.58	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
ECB III	683.16	684.79	1,259.62	631.65	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
ECB IV	546.31	547.83	1,007.17	505.32	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note A below
Total	**2,596.05**	**2,602.20**	**4,785.93**	**2,400.20**			

Foreign currency non-resident (FCNR) term loan from banks

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
FCNR I	-	-	-	93.58	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note A below
FCNR II	-	-	-	94.13	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note A below
FCNR III	-	-	-	291.98	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note A below
Total	**-**	**-**	**-**	**479.69**			

Rupee term loans from banks

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Rupee Term Loan I	-	-	-	149.38	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note A below
Rupee Term Loan II	-	-	-	200.00	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note A below
Rupee Term Loan III	-	249.63	250.00	-	0-2% above one year T-bill	Bullet payment on December 29, 2023	Refer note A below
Rupee Term Loan IV	8,175.05	481.25	8,638.28	265.00	5-6.5% p.a	33 structured quarterly instalments starting from March 31, 2022	Refer note A below
Rupee Term Loan V	3,730.25	760.00	4,487.86	500.00	6-7% p.a.	32 structured quarterly instalments starting from April 30, 2022	Refer note A below
Total	**11,905.30**	**1,490.88**	**13,376.14**	**1,114.38**			

Euro term loans from banks

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Euro term loans I	241.54	27.77	249.00	26.26	1.95%	Monthly payment till April 30, 2033	Secured by mortgage on land and building at Hamburg, Celle & Düsseldorf, Germany
Euro term loans II	5,908.77	3,207.56	8,525.64	2,437.44	1.50-2.25% above EURIBOR	Repayment in 10 semi-annual instalments starting from September 13, 2020	Refer note B below
Total	**6,150.31**	**3,235.33**	**8,774.64**	**2,463.70**			

NOTE B15(a) (Contd.)

Deferred payment liabilities

Particulars	Amount outstanding as at March 31, 2023 (₹ Million)		Amount outstanding as at March 31, 2022 (₹ 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			
Deferred payment credit	20.34	5.62	25.96	5.20	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
Total	**20.34**	**5.62**	**25.96**	**5.20**			

Details of securities offered to existing lenders

Note A All the long term loans are secured by pari-passu charge on the movable fixed assets of the company. *Along with the above mentioned security an exclusive charge on the immovable property of the Company's registered office in Kochi has also been created for this NCD issuance for an aggregate amount of ₹ 5,000 Million at 8.75% p.a.

Note B Apollo Tyres (NL) 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).

NON-FINANCIAL LIABILITIES (NON-CURRENT)
B16 PROVISIONS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
Provision for jubilee benefits (refer note C5)	137.67	117.84
Provision for pension benefits (refer note C11)	634.85	769.94
Provision for gratuity (refer note C11)	4.22	-
Provision for compensated absences (refer note C5)	1.27	-
(b) Other provisions		
Provision for constructive liability (refer note C5)	241.67	282.68
Provision for sales related obligations (refer note C5)	327.55	309.13
	1,347.23	**1,479.59**

B17 OTHER NON-CURRENT LIABILITIES

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits - others	205.63	192.68
Deferred revenue arising from government grant (refer note C10(b)&(c))	5,370.91	6,821.35
Statutory dues payable	4,111.83	4,862.77
Others	40.60	29.42
	9,728.97	**11,906.22**

CURRENT LIABILITIES
FINANCIAL LIABILITIES (CURRENT)
B18 BORROWINGS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
From banks:		
Cash credit (refer note a)	9.76	4.18
Loans (refer note b & c)	2,096.60	2,625.30
Unsecured		
From banks:		
Trade financing (refer note d)	764.61	3,409.34
Credit facilities from bank (refer note e and f)	2,875.06	800.73
From others - Commercial paper	-	2,000.00
Sub Total (A)	**5,746.03**	**8,839.55**
Current maturities of non-current borrowings (refer note g)		
Secured		
Debentures	4,898.00	2,549.14
Term loans:		
Foreign currency non-resident term loans	-	479.69
Euro term loans	3,235.33	2,463.70
External commercial borrowings (ECB)	2,602.20	2,400.20
Rupee Term Loans	1,490.88	1,114.38
Deferred payment liabilities:		
Deferred payment credit I	5.62	5.20
Sub Total (B)	**12,232.03**	**9,012.31**
Total (A + B)	**17,978.06**	**17,851.86**

a Cash credits are repayable on demand. The interest rate on these loans are in the range of 4.00% p.a to 7.50% p.a (3.00% p.a to 7.00% p.a.) and secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts of the Company.

b This is refinancing of term loan taken by one of the subsidiary company for one year. The interest rate on this loan is 0-1% above Euribor and secured by Corporate Guarantee from the Company.

c Loan availed by one of the subsidiary, 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 + 1.50% (Euribor + 1.50%).

d These are trade financing facility availed by one of the subsidiary company. The interest rate on these loans are in the range of 5.61% p.a to 5.66% p.a (0.70% p.a to 2.01% p.a.)

e These are loans repayable on demand availed by one of the subsidiary company. The interest rate on these loans is SOFR+1.46% p.a. (SOFR+1.46% p.a.).

f These are loans repayable on demand availed by one of the subsidiary company. The interest rate on these loans is Euribor + 1.50% (Euribor + 1.50%).

g For details regarding repayment terms, interest rate and nature of security on current maturities of non-current borrowings (refer note B15(a)).

B19 TRADE PAYABLES (refer note C23) * (Measured At Amortised Cost)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	306.28	337.63
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables	30,555.97	31,778.76
Employee related payable	2,236.72	2,669.40
Payable to related parties (refer note C18)	439.53	523.66
	33,232.22	34,971.82

* Trade payables include commission on net profits payable to whole-time directors ₹ **341.90 Million** (₹ 35.94 Million) and non-executive directors ₹ **50.00 Million** (₹ 38.00 Million).

B20 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
(Measured at amortised cost unless otherwise stated)		
Interest accrued but not due on borrowings	1,454.04	1,441.59
Unclaimed dividends #	102.20	100.19
Accounts payable - capital	1,979.17	2,752.96
Payable to micro, small and medium enterprises - capital	57.68	121.08
Interest payable to micro, small & medium enterprises	10.58	10.58
Payable to related parties (refer note C18)	129.14	141.62
Security deposits	619.53	424.37
Derivative liabilities measured at fair value (refer note C9)	55.91	36.05
	4,408.25	5,028.44

Includes ₹ **7.94 Million** (₹ 5.70 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.

B21 OTHER CURRENT LIABILITIES

NON-FINANCIAL LIABILITIES (CURRENT)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	6,256.00	4,307.27
Deferred revenue arising from government grant (refer note C10(b))	1,469.00	2,235.65
Advances received / credit balance from customers (refer note C24)	10,927.92	10,891.23
Others	140.87	290.87
	18,793.79	17,725.02

B22 PROVISIONS

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note C5)	324.40	305.73
Provision for superannuation (refer note C5)	38.91	40.16
Provision for gratuity (refer note C11)	0.86	-
Provision for constructive liability (refer note C5)	75.54	49.68
Provision for contingencies (refer note C5)	425.00	425.00
Provision for sales related obligations (refer note C5)	1,279.93	1,184.31
	2,144.64	2,004.88

B23 CURRENT TAX LIABILITIES (NET) (refer note C6)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net)	1,053.60	860.41

B24 OTHER OPERATING INCOME

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment promotion subsidy (refer note C10(a))	1,106.04	1,211.52
Unwinding of deferred income (refer note C10(b))	2,266.57	1,540.68
Scrap sales	580.83	517.97
Provisions / liabilities no longer required written back	204.59	33.62
Subsidy income - others (refer note C10(c))	160.21	183.29
Others	139.82	180.56
	4,458.06	3,667.64

B25 OTHER INCOME

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income:		
- Bank deposits	41.05	212.48
- Others*	216.03	190.50
(b) Gain from current investments - fair value through profit and loss		
- Mutual funds	55.19	24.15
(c) Others		
- Profit on sale of property, plant and equipment (net)	39.89	90.22
- Gain on foreign exchange fluctuation (net)	-	588.48
- Miscellaneous income	58.76	128.98
	410.92	1,234.81

* This includes interest recognised on government grant (refer note C10(a))

B26 EXPENSES

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B26A Cost of materials consumed: *	122,619.59	109,554.29
B26B Purchase of stock-in-trade:		
Purchase of finished goods - tyres, tubes and flaps	26,782.74	22,060.30
B26C Employee benefits expense: *		
Salaries and wages	21,514.18	21,203.54
Contribution to provident and other funds (refer note C11)	2,731.14	2,708.28
Staff welfare expenses	1,953.89	1,830.55
	26,199.21	25,742.37
B26D Other expenses: *		
Consumption of stores and spare parts	1,590.73	1,364.89
Power and fuel	7,789.48	6,325.75
Conversion charges	900.44	995.56
Repairs and maintenance		
- Machinery	996.07	791.26
- Buildings	175.62	175.40
- Others	2,662.11	2,566.54
Rent (refer note C4)	214.40	119.40
Insurance	678.74	609.56
Rates and taxes	213.55	203.09
Sitting fees to non-executive directors (refer note C18)	4.29	4.13
Commission to non-executive directors (refer note C18)	50.00	38.00

B26 EXPENSES (Contd.)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss on foreign exchange fluctuation (net)	13.73	-
Travelling, conveyance and vehicle expenses	1,809.95	1,228.19
Postage, telephone and stationery	272.75	263.93
Conference	47.60	9.55
Freight and forwarding	13,377.41	11,650.30
Commission on sales	75.47	56.63
Advertisement and sales promotion	5,054.83	4,376.24
Corporate social responsibility	132.25	187.17
Bank charges	193.84	207.40
Statutory auditor's remuneration (refer note C13)	73.36	78.17
Provision for doubtful debts / advances (refer note C8)	71.76	57.61
Legal and professional	911.51	711.06
Miscellaneous	2,665.11	2,117.54
	39,975.00	**34,137.37**

*Includes expense towards research and development (refer note C14)

B27 FINANCE COSTS

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on fixed-term loans	1,459.11	1,450.49
Interest on debentures	1,577.42	1,334.98
Interest on current loans	298.35	149.71
Interest on income taxes	260.00	109.11
Interest on lease liabilities (Refer note C4)	468.18	511.81
Interest - others	1,100.98	712.55
Other borrowing costs	148.31	175.58
	5,312.35	**4,444.23**

C. Other Notes

forming Part Of he Consolidated Financial Statements

1 Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **97.55 Million** (₹ 559.07 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 **6.77% p.a.** (7.58% p.a).

2 INVENTORIES

i. The amount of write down of inventories to net realizable value recognised as an expense was ₹ **336.25 Million** (₹ 268.95 Million).

ii. Changes in inventories of finished goods, stock-in-trade and work-in-progress is the difference between opening and closing inventories of finished goods, stock-in-trade and work-in-progress as adjusted for exchange rate adjustment arising on consolidation of foreign subsidiaries.

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 Reifencom Gmbh Hannover on January 1, 2016. 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 ATNL (Apollo Tyres (NL) B.V.).

Changes in the net carrying amount of trademarks and other intangible assets is summarized as below:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,555.67	2,609.63
Foreign exchange translation impact	154.12	(53.96)
Closing balance*	**2,709.79**	**2,555.67**

*Out of the total closing balance, **₹1,560.45 Million** (₹ 1,471.70 Million) pertains to acquisition of Reifencom Gmbh Hannover and ₹ **1,149.34 Million** (₹ 1,083.97 Million) pertains to acquisition of ATNL.

Changes in the net carrying amount of goodwill is summarized as below:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,158.07	2,203.63
Foreign exchange translation impact	130.14	(45.56)
Closing balance	**2,288.21**	**2,158.07**

Impairment

An impairment test was carried out as at March 31, 2023, details of the test are as outlined below:

Particulars	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	9.00%	10.70%
Growth Rate	1.25%	1.30%
Number of years for which cash flows were considered	5	5
Test Result	No Impairment Loss	No Impairment Loss

3 IMPAIRMENT TESTING OF INTANGIBLES WITH INDEFINITE LIFE (Contd.)

An impairment test was carried out as at March 31, 2022, details of the test are as outlined below:

Particulars	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	8.20%	9.00%
Growth Rate	2.00%	2.00%
Number of years for which cash flows were considered	5	5
Test Result	No Impairment Loss	No Impairment Loss

pertains to ATNL 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 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 Group 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 Group 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:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	6,141.74	6,404.61
Current	2,187.06	2,267.94
Total	**8,328.80**	**8,672.55**

v 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

	As at March 31, 2023	As at March 31, 2022
Short term leases	117.12	27.98
Leases of low value assets	8.42	29.03
Variable lease payments	88.86	62.39
Total	**214.40**	**119.40**

4 LEASES (Contd.)

vi Additional information on the right-of-use assets by class of assets is as follows:

₹ Million

Particulars	Land & Buildings *	Plant & equipments	Vehicles	Others	Total
Gross Carrying Value					
As at April 01, 2022	**13,177.58**	**612.18**	**590.57**	**24.08**	**14,404.41**
Additions	1,474.51	106.88	153.53	-	**1,734.92**
Disposals	628.64	126.21	160.32	20.13	**935.30**
Effect of foreign currency translation	326.17	12.34	24.71	0.20	**363.42**
As at March 31, 2023	**14,349.62**	**605.19**	**608.49**	**4.15**	**15,567.45**
Accumulated depreciation					
As at April 01, 2022	**5,204.22**	**371.88**	**328.35**	**20.62**	**5,925.07**
Additions	1,935.32	149.13	171.33	0.65	**2,256.43**
Eliminated on disposal	491.31	126.21	160.32	20.13	**797.97**
Effect of foreign currency translation	158.87	8.50	18.08	0.14	**185.59**
As at March 31, 2023	**6,807.10**	**403.30**	**357.44**	**1.28**	**7,569.12**
Net Carrying Value					
As at March 31, 2023	**7,542.52**	**201.89**	**251.05**	**2.87**	**7,998.33**

₹ Million

Particulars	Land & Buildings *	Plant & equipments	Vehicles	Others	Total
Gross Carrying Value					
As at April 01, 2021	**12,283.73**	**529.64**	**628.59**	**13.57**	**13,455.53**
Additions	1,386.64	158.45	170.97	4.15	**1,720.21**
Disposals	398.64	69.12	168.70	-	**636.46**
Effect of foreign currency translation	(94.15)	(6.79)	(40.29)	6.36	**(134.87)**
As at March 31, 2022	**13,177.58**	**612.18**	**590.57**	**24.08**	**14,404.41**
Accumulated depreciation					
As at April 01, 2021	**3,589.62**	**271.58**	**308.56**	**11.32**	**4,181.08**
Additions	2,021.48	173.05	203.91	7.08	**2,405.52**
Eliminated on disposal	329.01	69.12	168.70	-	**566.83**
Effect of foreign currency translation	(77.87)	(3.63)	(15.42)	2.22	**(94.70)**
As at March 31, 2022	**5,204.22**	**371.88**	**328.35**	**20.62**	**5,925.07**
Net Carrying Value					
As at March 31, 2022	**7,973.36**	**240.30**	**262.22**	**3.46**	**8,479.34**

* includes balances with related parties (refer note C18)

vii The following are the amounts recognised in the consolidated statement of profit and loss

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	2,256.43	2,405.52
Interest expense on lease liabilities	468.18	511.81
Interest income on fair value of security deposit	(35.03)	(29.48)
Expense relating to short-term leases/ leases of low value assets/ variable lease payments (included in other expenses)	214.40	119.40
Total	**2,903.98**	**3,007.25**

viii Total cash outflow pertaining to leases during the year ended March 31, 2023 is ₹ **2,576.75 Million** (₹ 2,694.07 Million).

ix Leasehold land is net of ₹ **5.39 Million** (₹ 5.39 Million) subleased to Classic Industries and Exports limited (formerly known as Classic Auto Tubes Ltd.), a Company in which directors are interested since the year ended 2009-10.

5 PROVISIONS - NON-CURRENT / CURRENT

(i) Changes in non-current provisions are as below:

₹ Million

Particulars	Provision for compensated absences	Provision for sales related obligations *	Provision for constructive liability **	Provision for jubilee benefits #
As at March 31, 2021	**-**	**313.63**	**281.18**	**128.42**
Addition during the year	-	-	0.19	-
Utilisation / reversal during the year	-	(4.50)	(3.56)	(8.12)
Foreign exchange translation impact	-	-	4.87	(2.46)
As at March 31, 2022	**-**	**309.13**	**282.68**	**117.84**
Addition during the year	1.27	18.42	-	47.59
Utilisation / reversal during the year	-	-	(30.10)	(35.64)
Foreign exchange translation impact	-	-	(10.91)	7.88
As at March 31, 2023	**1.27**	**327.55**	**241.67**	**137.67**

(ii) Changes in current provisions are as below:

₹ Million

Particulars	Provision for compensated absences	Provision for sales related obligations *	Provision for constructive liability **	Provision for contingencies	Provision for superannuation
As at March 31, 2021	**280.79**	**1,107.71**	**53.93**	**425.00**	**31.37**
Addition during the year	259.73	1,175.12	49.68	-	152.71
Utilisation / reversal during the year	(234.27)	(1,098.28)	(53.93)	-	(143.92)
Foreign exchange translation impact	(0.52)	(0.24)	-	-	-
As at March 31, 2022	**305.73**	**1,184.31**	**49.68**	**425.00**	**40.16**
Addition during the year	329.37	1,269.58	75.54	-	132.40
Utilisation / reversal during the year	(313.15)	(1,174.54)	(49.68)	-	(133.65)
Foreign exchange translation impact	2.45	0.58	-	-	-
As at March 31, 2023	**324.40**	**1,279.93**	**75.54**	**425.00**	**38.91**

* Represents estimates for payments to be made in future for sales related obligations.

** 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.

6 INCOME TAXES

i) Reconciliation between average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	**14,271.87**		**8,476.74**	
Income tax using the Company's domestic tax rate	4,987.16	34.94	2,962.11	34.94
Tax effect of				
Effect of different tax rates in foreign jurisdictions	(745.89)	(5.23)	(651.27)	(7.68)
Tax impact on carry forward losses recognised	(407.70)	(2.86)	-	-
Non deductible expenses	157.84	1.11	111.73	1.32
Others	(765.90)	(5.37)	(331.83)	(3.91)
Income tax expense recognised in the consolidated statement of profit and loss	**3,225.51**	**22.59**	**2,090.74**	**24.67**

6 INCOME TAXES (Contd.)

ii) Components of deferred tax liability (net)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Depreciation and amortisation	18,407.88	17,035.78
Others	90.04	129.52
Gross deferred tax liability (a)	**18,497.92**	**17,165.30**
Tax effect of items constituting deferred tax assets		
Carry forward tax losses	1,153.60	1,783.92
Minimum alternate tax entitlement	7,173.31	5,696.14
Others	577.02	671.68
Gross deferred tax asset (b)	**8,903.93**	**8,151.74**
Deferred tax liability (net) (a - b)	**9,593.99**	**9,013.56**

iii) Components of deferred tax asset (net)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Carry forward tax losses	451.59	714.34
Others	267.33	330.88
Deferred tax asset (net)	**718.92**	**1,045.22**

One of the subsidiary company has net carry forward losses on which deferred tax asset has not been recognised amounting to **₹ 68.54 Million** as at March 31, 2023 (₹ 256.36 Million as at March 31, 2022) which has a 15-20 years carry forward period.

(iv) Components of deferred tax expense / (income)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tax effect of items constituting deferred tax liabilities		
Depreciation and amortisation	1,364.35	2,034.38
Others	(19.73)	7.36
Sub-total (a)	**1,344.62**	**2,041.74**
Tax effect of items constituting deferred tax assets		
Carry forward tax losses	(938.24)	340.24
Minimum alternate tax (MAT) entitlement	1,477.17	611.60
Others	87.11	(52.88)
Sub-total (b)	**626.04**	**898.96**
Total (a - b)	**718.58**	**1,142.78**

(v) The movement in net deferred tax liability / (assets) is as follows:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Net deferred tax liability / (assets) at the beginning of the year	7,968.34	7,020.15
Deferred tax expense / (income) recognised in the consolidated statement of profit and loss	718.58	1,142.78
Deferred tax expense / (income) recognised in other comprehensive income	107.43	56.68
Foreign exchange translation impact	80.72	(251.27)
Net deferred tax liability / (assets) at the end of the year	**8,875.07**	**7,968.34**

vi) The group has concluded that the deferred tax assets including assets on carry forward of losses and MAT entitlement will be fully recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company / subsidiary companies.

7 DESCRIPTION OF NATURE AND PURPOSE OF EACH RESERVE

i. 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.

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 Apollo Tyres (NL) B.V. (ATNL) 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 in earlier years 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. Cash flow hedge

It represents mark-to-market valuation of effective hedges as required by Ind AS 109- Financial Instruments

xi. Revaluation surplus

Revaluation surplus represents increase in carrying amount arising on revaluation of land and building recognised in other comprehensive income and accumulated in reserves.

xii. 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.

8 CHANGES IN PROVISION FOR DOUBTFUL TRADE RECEIVABLES:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	858.62	867.34
Addition during the year	71.76	57.61
Utilisation / reversal during the year	(111.12)	(51.15)
Foreign exchange translation impact	46.84	(15.18)
Closing balance	866.10	858.62

9 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

9 FINANCIAL INSTRUMENTS (Contd.)

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.

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current borrowings (refer note B15)	37,898.44	44,084.74
Current borrowings * (refer note B18)	17,978.06	17,851.86
Sub-total (a)	**55,876.50**	**61,936.60**
Equity (refer note B13)	635.10	635.10
Other equity (refer note B14)	128,142.73	116,886.22
Sub-total (b)	**128,777.83**	**117,521.32**
Capital gearing ratio (a) / (b)	**0.43**	**0.53**

* Includes current maturities of long term borrowings

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

₹ Million

Currency	As at March 31, 2023	Sensitivity +5%	Sensitivity -5%	As at March 31, 2022	Sensitivity +5%	Sensitivity -5%
USD	(938.14)	(46.91)	46.91	(1,232.76)	(61.64)	61.64
EURO	223.74	11.19	(11.19)	1,041.74	52.09	(52.09)
GBP	(42.02)	(2.10)	2.10	(85.20)	(4.26)	4.26
Others	1,139.92	57.00	(57.00)	1,436.10	71.80	(71.80)

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.

9 FINANCIAL INSTRUMENTS (Contd.)

The table below presents the impact on profit before tax for unhedged variable rate borrowings taken by subsidiary companies assuming a market interest rate shift of 1.00%:

Sensitivity analysis

₹ Million

Currency	As at March 31, 2023	Sensitivity +1%	Sensitivity -1%	As at March 31, 2022	Sensitivity +1%	Sensitivity -1%
Non-current borrowings (including current maturities)	9,116.34	(91.16)	91.16	10,963.08	(109.63)	109.63
Current borrowings	4,403.16	(44.03)	44.03	5,156.48	(51.56)	51.56

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) 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.

d) Commodity risk

The Group has risk of price volatility and supply against its major raw materials and management is mitigating this risk by taking strategic decision on regular basis.

The below tables summarise the maturity profile (undiscounted) of the Group's financial assets and financial liabilities

i) Non derivative financial assets

₹ Million

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	37,722.75	1,992.69	1,571.46	35,326.21	1,786.88	1,449.56
Fixed interest rate instruments	1,386.24	-	-	2,451.01	-	-

9 FINANCIAL INSTRUMENTS (Contd.)

ii) Non derivative financial liabilities

₹ Million

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	37,890.85	-	-	39,619.53	-	-
Lease liability	2,187.06	4,564.11	1,577.63	2,267.94	4,182.74	2,221.87
Variable interest rate instruments	13,158.32	17,798.69	3,944.06	12,269.23	19,445.33	7,242.39
Fixed interest rate instruments	4,941.35	12,370.79	5,117.32	6,264.94	12,267.49	5,129.53

iii) Derivative assets / (liabilities)

₹ Million

Particulars	As at March 31, 2023			As at March 31, 2022		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Net settled:						
– foreign currency forward contracts, futures and options measured at FVTPL	(55.91)	-	-	(36.05)	-	-
– foreign currency forward contracts, futures and options measured at FVTPL	5.34	-	-	87.29	-	-
Gross settled:						
– cross currency interest rate swaps measured at FVTOCI	272.91	892.35	-	-	1,054.60	-
Total	**222.34**	**892.35**	**-**	**51.24**	**1,054.60**	**-**

Interest rate swap

The Company had an interest rate swap agreement whereby the Company receives a fixed rate of interest of 6.5% to 7.5% and pays interest at a variable rate. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loan. The decrease in fair value of the interest rate swap has been recognised in finance costs and offset with a similar gain on the bank borrowings. The ineffectiveness recognised in March 31, 2023 was immaterial.

Foreign exchange forward contracts

While the Group entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss

e) The below tables summarise the fair value of the financial asset / (liabilities):

i) Fair value of derivative instruments carried at fair value

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial assets (a)			
- Foreign currency forward contracts, futures and options measured at FVTPL	5.34	87.29	2
- Cross currency interest rate swaps measured at FVTOCI	1,165.26	1,054.60	2
Total	**1,170.60**	**1,141.89**	

9 FINANCIAL INSTRUMENTS (Contd.)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial liabilities (b)			
- Foreign currency forward contracts, futures and options measured at FVTPL	55.91	36.05	2
Total	**55.91**	**36.05**	
Net derivative financial assets (a- b)	**1,114.69**	**1,105.84**	

ii) Fair value of financial assets (other than derivative instruments) carried at fair value:

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
– Non current investments - quoted	2.06	2.36	1
– Non current investments - unquoted	288.88	256.18	3
– Current investments - quotwed	4,016.94	4,506.06	1
Total	**4,307.88**	**4,764.60**	

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 (unadjusted) market prices in active markets for identical assets or liabilities.

* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

f) Details of outstanding contracts

Currency pair	Currency	Currency value (Million)	Average exchange rate	Nominal value (Million)	Buy / Sell
As at March 31, 2023					
Foreign currency forward contracts					
CHF / EUR	CHF	3.30	1.02	3.37	Sell
EUR / INR	EUR	7.18	1.00	7.18	Sell
USD / EUR	US Dollar	1.75	0.92	1.60	Sell
GBP / EUR	GBP	5.14	1.13	5.83	Sell
PLN / EUR	PLN	30.10	0.21	6.29	Sell
SEK / EUR	SEK	30.60	0.09	2.74	Sell
USD / INR	US Dollar	5.00	82.38	411.88	Buy
USD / THB	US Dollar	6.00	33.77	202.60	Buy
USD / ZAR	US Dollar	1.13	18.15	20.42	Buy
EUR / USD	Euro	1.95	1.08	2.11	Sell
Futures and options					
USD / INR	US Dollar	23.00	83.38	1,917.74	Buy
USD / INR	US Dollar	46.00	83.61	3,846.06	Sell
Cross currency interest rate swaps					
USD / INR	US Dollar	63.33	82.18	5,204.14	Buy

9 FINANCIAL INSTRUMENTS (Contd.)

Currency pair	Currency	Currency value (Million)	Average exchange rate	Nominal value (Million)	Buy / Sell
As at March 31, 2022					
Foreign currency forward contracts					
USD / INR	US Dollar	21.95	75.80	1,663.76	Buy
USD / THB	US Dollar	6.00	33.21	199.27	Buy
USD / ZAR	US Dollar	1.13	14.58	16.40	Buy
EUR / INR	Euro	4.60	84.07	386.74	Sell
Futures and options					
USD / INR	US Dollar	29.00	75.80	2,198.13	Buy
USD / INR	US Dollar	44.50	75.80	3,372.99	Sell
Cross currency interest rate swaps					
USD / INR	US Dollar	104.50	75.80	7,920.58	Buy

For fair value of outstanding contracts, refer note C9(B)(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 (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 at March 31, 2023								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 63.33	1,165.26	-	June-2022 to September-2024	1:1	63.95 to 67.5	508.75	(508.75)

(Carrying value of firm commitments for capital assets is ₹ **Nil** (₹ 0.99 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 at March 31, 2022								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 104.50	1,054.60	-	June-2022 to September-2024	1:1	63.95 to 67.5	(416.46)	416.46
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
EUR / INR	EUR -						-	-
USD / INR	USD 8.45	-	(0.99)	April-2022	1:1	76.105 to 76.105	(0.99)	0.99

(Carrying value of firm commitments for capital assets is ₹ 0.99 million and is recognised in other non-current assets as others)

9 FINANCIAL INSTRUMENTS (Contd.)

(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
For the year ended March 31, 2023				
Cash flow hedge				
Foreign exchange and interest rate risk	508.75	-	160.53	Finance Cost
			(605.78)	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, 2022				
Cash flow hedge				
Foreign exchange and interest rate risk	(416.46)	-	626.91	Finance Cost
			(59.09)	Gain on foreign currency transactions and translations

(3) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at April 01, 2021	(97.31)
Add: Changes in fair value of cross currency swaps	(416.46)
Less: Amount reclassified to consolidated statement of profit and loss	567.82
Less: Deferred tax relating to above (net)	(52.89)
Balance as at March 31, 2022	**1.16**
Add: Changes in fair value of cross currency swaps	508.75
Less: Amount reclassified to consolidated statement of profit and loss	(445.25)
Less: Deferred tax relating to above (net)	(22.19)
Balance as at March 31, 2023	**42.47**

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, interalia, 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 ₹ **801.35 Million** (₹ 995.08 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 **₹1,686.66 Million** (₹1,812.72 Million) under non-current financial assets and **₹270 Million** (₹270 Million) under current financial assets. Deferred grant income amounting **₹1,492.14 Million** (₹1,627.79 Million) is recognised under other non-current liabilities and **₹135.65 Million** (₹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 (₹ 135.65 Million) under Other operating income and accretion of grant recoverable as finance income amounting to ₹ **144.94 million** (₹ 154.20 million) 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, interalia, 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 ₹ **169.04 Million** (₹ 80.79 Million) 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 ₹ **281.46** Million (₹ 2,591.06 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to ₹ **2,266.57 Million** (₹ 1,540.68 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 current & 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 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 was completed by December 31, 2019 within the stipulated time. The subsidy agreement defines contractual obligations and criteria for the aforesaid subsidiary company. The monitoring period started in April 2020 for the period of 5 years.

During the year, ₹ **160.21 Million** (₹ 183.29 Million) was amortised & 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.

d) During the previous year ended March 31, 2022, ATH Kft received a grant (VNT3) for ₹ 86.52 Million against its ongoing project for finished goods warehouse expansion. Amortization of subsidy will start post completion of project. Monitoring period of grant starts in April 2023 and will end by March 2025.

11 EMPLOYEE BENEFIT LIABILITY

i. 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 expense in the year incurred. The amount of contribution made by the Company to Superannuation Fund is ₹ **132.40 Million** (₹ 152.71 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 ₹ **360.46 Million** (₹ 326.44 Million).

The 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 such subsidiaries is ₹ **228.53 Million** (₹ 455.66 Million).

ii. Defined benefit plans

A. Indian operations

1) Gratuity - Company

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.

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

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

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost ^	131.84	126.00
Interest cost on benefit obligation *	134.81	109.45
Actual return on plan assets *	(137.19)	(103.63)
Expense recognized in the consolidated statement of profit and loss	**129.46**	**131.82**

^ Included in employee benefit expense

* Included in finance cost

Other comprehensive income (experience adjustment)

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain) / loss for the year on defined benefit obligation	(80.31)	84.57
Actuarial (gain) / loss for the year on plan asset	3.94	(42.86)
Total	**(76.37)**	**41.71**

Consolidated balance sheet

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the end of the year (a)	2,240.39	1,874.19
Present value of defined benefit obligation at the end of the year (b)	1,941.15	1,841.62
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**299.24**	**32.57**

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligations as at the beginning of the year	1,841.62	1,583.90
Interest cost	134.81	109.45
Current service cost	131.84	126.00
Benefits paid	(86.81)	(62.30)
Actuarial (gain) / loss on obligation	(80.31)	84.57
Present value of obligation as at the end of the year	**1,941.15**	**1,841.62**

Changes in the fair value of plan assets

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	1,874.19	1,499.72
Actual return on plan assets	137.19	103.63
Contributions	319.76	290.28
Benefits paid	(86.81)	(62.30)
Actuarial (loss) / gain on plan assets	(3.94)	42.86
Fair value of plan assets as at the end of the year	**2,240.39**	**1,874.19**

The Company's gratuity funds are managed by the LIC and therefore the composition of the fund assets in not presently ascertained.

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

Maturity profile of defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
0-1 year	147.95	233.85
1-2 year	156.64	85.07
2-3 year	130.40	105.48
3-4 year	108.92	119.51
4-5 year	103.79	95.96
More than 5 years	1,293.45	1,201.75
Total	**1,941.15**	**1,841.62**

Principal assumptions for gratuity

₹ Million

Particulars	As at March 31, 2023 (Rate%)	As at March 31, 2022 (Rate %)
a) Discount rate	7.50	7.32
b) Future salary increase *	6.00	6.00
c) Retirement age (years)	58/65	58
d) Mortality table	100% IALM (2012-2014)	100% 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 ₹ **122.36 Million** (₹ 131.56 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, 2023	1,941.15	1,941.15	1,941.15
Impact due to increase of 0.50%	(93.29)	102.09	0.67
Impact due to decrease of 0.50%	101.11	(94.99)	(0.55)

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2022	1,841.62	1,841.62	1,841.62
Impact due to increase of 0.50%	(80.25)	87.80	0.58
Impact due to decrease of 0.50%	87.10	(81.58)	(0.46)

2) Gratuity - Apollo Tyres Centre of Excellence Limited (COE)

The COE entity has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the COE entity as per the Payments of Gratuity Act, 1972.

The following table summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and amounts recognized in the consolidated balance sheet:

Principal assumptions

Particulars	As at March 31, 2023 (Rate%)	As at March 31, 2022 (Rate %)
a) Discount rate	7.39	-
b) Future salary increase	7.80	-
c) Retirement age (years)	60.00	-
d) Mortality table	100% IALM (2012-2014)	-

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	-	-
Service cost	3.56	-
Interest cost	0.20	-
Actuarial (gain) / loss on obligation	1.32	-
Present value of obligation as at the end of the year	**5.08**	**-**

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
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)	5.08	-
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**(5.08)**	**-**

Sensitivity analysis of the defined benefit obligation

₹ Million

Impact of change in	Discount rate	Salary increase
Present value of obligation as on March 31, 2023	5.08	5.08
Impact due to increase of 0.50%	(0.11)	0.11
Impact due to decrease of 0.50%	0.11	(0.11)

Maturity profile of defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
0-1 year	0.86	-
1-2 year	0.08	-
2-3 year	0.08	-
3-4 year	0.07	-
4-5 year	0.07	-
More than 5 years	3.92	-
Total	**5.08**	**-**

B. Foreign operations

The pension liability as recorded in the consolidated balance sheet relates to the defined benefit plan of Apollo Tyres (Germany) GmbH and Reifencom Gmbh Hannover where the actuarial calculations were performed by certified actuarial firms.

1 Apollo Tyres (Germany) GmbH

Principal assumptions

Particulars	As at March 31, 2023 (Rate%)	As at March 31, 2022 (Rate %)
Pension increase	2.20	2.00
Mortality table	Heubeck 2018G	Heubeck 2018G
Individual salary increase (dependent on age)	3.00	3.00
Discount rate	3.80	1.70

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation		
Present value of obligation as at the beginning of the year	769.94	834.65
Service cost	29.00	19.47
Interest cost	12.83	9.13
Benefits paid	(23.50)	(9.60)
Actuarial (gain) / loss on obligation	(233.82)	(67.89)
Foreign exchange translation impact	74.66	(15.82)
Present value of obligation as at the end of the year	**629.11**	**769.94**

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
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)	629.11	769.94
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**(629.11)**	**(769.94)**

Sensitivity analysis of the defined benefit obligation

Particulars	Change in assumption 2022-23	Change in defined benefit obligation 2022-23	Change in assumption 2021-22	Change in defined benefit obligation 2021-22
Discount rate	Increase by 1.00%	(12.41%)	Increase by 1.00%	(15.36%)
Salary increase	Increase by 0.50%	0.85%	Increase by 0.50%	1.32%
Pension increase	Increase by 0.25%	2.67%	Increase by 0.25%	3.17%

Maturity profile of defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
0-1 year	29.02	24.23
1-2 year	29.57	24.95
2-3 year	31.13	25.52
3-4 year	32.02	27.02
4-5 year	33.30	27.88
5-10 years	175.11	149.97
Total	**330.15**	**279.57**

2 Reifencom Gmbh Hannover

Principal assumptions

Particulars	As at March 31, 2023 (Rate%)	As at March 31, 2022 (Rate %)
Pension increase	2.30	2.00
Mortality table	Heubeck 2018G	Heubeck 2018G
Retirement age (years)	65.00	65.00
Discount rate	3.80	1.70

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	120.23	127.04
Service cost	0.37	0.40
Interest cost	2.03	1.41
Actuarial (gain) / loss on obligation	(18.05)	(6.14)
Foreign exchange translation impact	6.23	(2.48)
Present value of obligation as at the end of the year	**110.81**	**120.23**

Changes in the fair value of plan assets

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	153.24	151.94
Actuarial gain on plan assets	1.97	2.88
Interest income	2.59	1.69
Foreign exchange translation impact	9.54	(3.27)
Fair value of plan assets as at the end of the year	**167.34**	**153.24**

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the end of the year (a)	167.34	153.24
Present value of defined benefit obligation as at the end of the year (b)	110.81	120.23
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**56.53**	**33.01**

Sensitivity analysis of the defined benefit obligation

Particulars	Change in assumption 2022-23	Change in defined benefit obligation 2022-23	Change in assumption 2021-22	Change in defined benefit obligation 2021-22
Discount rate	Increase by 1.0%	(7.41%)	Increase by 1.0%	(8.56%)
Discount rate	Decrease by 1.0%	8.17%	Decrease by 1.0%	9.59%
Pension increase	Increase by 0.25%	0.18%	Increase by 0.25%	0.22%
Pension increase	Decrease by 0.25%	(0.17%)	Decrease by 0.25%	(0.21%)

Maturity profile of defined benefit obligation

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
0-1 year	0.25	0.21
1-2 year	0.28	0.24
2-3 year	0.30	0.26
3-4 year	0.33	0.28
4-5 year	0.91	0.31
More than 5 years	108.74	118.93
Total	**110.81**	**120.23**

11 EMPLOYEE BENEFIT LIABILITY (Contd.)

iii Other long term employee benefits

Long term compensated absences

Indian Operations

Principal assumptions for long term compensated absences

Particulars	As at March 31, 2023 (Rate%)	As at March 31, 2022 (Rate %)
a) Discount rate	7.50	7.32
b) Future salary increase *	6.00	6.00
c) Retirement age (years)	58 /65	58
d) Mortality table	100% IALM (2012-2014)	100% 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 CONTINGENT LIABILITIES

₹ Million

a. Particulars	As at March 31, 2023	As at March 31, 2022
Sales tax	65.23	60.77
Income tax	1,771.63	1,670.51
Claims against the Group not acknowledged as debt		
-Employee related	116.51	161.09
- Others	35.80	32.30
Excise duty, custom duty and service tax *	671.42	661.81

* Show-cause notices received from various Government Authorities 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.

b. The Competition Commission of India ('CCI') on February 2, 2022 had released its order dated August 31, 2018 on the Company, other Tyre Manufacturers and Automotive Tyre Manufacturer Association alleging contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 4,255.30 Million on the Company. The Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 1, 2022, had remanded the matter back to the CCI to hear the parties again and review its findings. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. The Company is also a Respondent in the said Appeal. Pending disposal of the matter and based on legal advice the Company believes that it has a strong case and accordingly no provision is considered in these consolidated financial statements.

13 STATUTORY AUDITOR'S REMUNERATION

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
For audit and quarterly reviews	70.76	75.11
For reimbursement of expenses	0.46	0.38
For other services	2.14	2.68
Total	**73.36**	**78.17**

14 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue expenditure	2,826.68	2,734.89
Capital expenditure*	1,081.74	500.92
Total	**3,908.42**	**3,235.81**

The Group carries out research and development activities to bring cutting edge technology and innovation in relation to tyre manufacturing.
*includes revenue expenditure which qualified as development expenditure for intangible assets as per Ind AS-38.

15 CAPITAL COMMITMENTS

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,483.16	4,945.02

16 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.

17 FOLLOWING SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE 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 at March 31, 2023	As at March 31, 2022	
1	Apollo Tyres Centre of Excellence Limited	Subsidiary	India	Apollo Tyres Ltd	100%	100%	
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%	Note (a)
10	Apollo Tyres (Malaysia) SDN BHD	Subsidiary	Malaysia	ATHS	100%	100%	Note (b)
11	Apollo Tyres (UK) Holdings Ltd (Formerly 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%	

17 FOLLOWING SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE HAVE BEEN CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS: (Contd.)

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 at March 31, 2023	As at March 31, 2022	
13	Apollo Tyres Global R&D B.V.	Subsidiary	Netherlands	Apollo Coop	100%	100%	
14	Apollo Tyres (R&D) GmbH (Formerly 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 ATEU	100%	100%	
17	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU)	Subsidiary	Netherlands	Apollo Coop	100%	100%	
18	Apollo Tyres (Hungary) Kft. (ATH Kft)	Subsidiary	Hungary	ATEU	100%	100%	
19	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL)	Subsidiary	Netherlands	ATEU	100%	100%	
20	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	Subsidiary	Germany	ATNL	100%	100%	
21	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	Subsidiary	Sweden	ATNL	100%	100%	
22	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	Subsidiary	United Kingdom	ATNL and Finlo B.V.	100%	100%	
23	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	Subsidiary	France	ATNL and Finlo B.V.	100%	100%	
24	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	Subsidiary	Belgium	ATNL and Finlo B.V.	100%	100%	
25	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	Subsidiary	Austria	ATNL	100%	100%	
26	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	Subsidiary	Switzerland	ATNL	100%	100%	
27	Apollo Tyres Iberica S.A.U. (Formerly Apollo Vredestein Iberica SAU)	Subsidiary	Spain	ATNL	100%	100%	
28	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.)	Subsidiary	USA	Apollo Coop	100%	100%	

17 FOLLOWING SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE HAVE BEEN CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS: (Contd.)

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 at March 31, 2023	As at March 31, 2022	
29	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	Subsidiary	Hungary	ATNL	100%	100%	
30	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	Subsidiary	Poland	ATNL and AT GmbH	100%	100%	
31	Vredestein Consulting B.V.	Subsidiary	Netherlands	ATNL	100%	100%	
32	Finlo B.V.	Subsidiary	Netherlands	ATNL	100%	100%	
33	Reifencom GmbH, Hannover	Subsidiary	Germany	Apollo Coop	100%	100%	
34	Reifencom Tyre (Qingdao) Co., Ltd.	Subsidiary	China	Reifencom GmbH, Hannover	100%	100%	
35	Saturn F1 Pvt Ltd	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
36	Pan Aridus LLC	Joint Venture	USA	ATHS	50.00%	50.00%	Note (c)
37	KT Telematic Solutions Private Limited	Associate	India	Apollo Tyres Ltd	25.00%	25.00%	

Notes

(a) Liquidated w.e.f. 08.08.2022.

(b) In the process of liquidation.

(c) 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.

(d) During the previous year, the Company had invested ₹ 93.30 million by purchasing 11,66,250 equity shares and in current year further invested ₹ 2.70 million by purchasing 33,750 equity shares of CSE Deccan Solar Private Limited, totalling equity stake 27.27% as on March 31, 2023, to get a guaranteed supply of 40 million units of electricity per annum for its Chennai Plant. This amount is refundable after the tenure. Consequent to this investment, CSE Deccan Solar Private Limited has been considered as an Associate Company as per the requirement of Companies Act, 2013. However, as per the provisions of IND AS 28 - Investment in Associates and Joint Ventures, the said investment made by the Company is not considered as an investment in associate. Therefore, this investment has been accounted for as per the provisions of IND AS 109 Financial Instruments.

18 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES

i) Name of the related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International FZC	Apollo International FZC
	Sunlife Tradelinks (P) Ltd.	Sunlife Tradelinks (P) Ltd.
	Classic Industries and Exports Limited	Classic Industries and Exports Limited
	PTL Enterprises Ltd.	PTL Enterprises Ltd.
	Artemis Cardiac Care Pvt Ltd	Artemis Cardiac Care Pvt Ltd
	Premedium Pharmaceuticals Pvt Ltd	Premedium Pharmaceuticals Pvt Ltd
	Nutriburst India Private Limited	Nutriburst India Private Limited
	Swaranganga Consultants Private Limited	Swaranganga Consultants Private Limited
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Shardul Amarchand Mangaldas & Co.	Shardul Amarchand Mangaldas & Co.
	Regent Properties	Regent Properties
	Sunrays Medi Equipment Pvt Ltd	Sunrays Medi Equipment Pvt Ltd
	Scalini Limited	Scalini Limited
	Nutriburst Ltd (UK)	Nutriburst Ltd (UK)
	Rosspark Limited	Rosspark Limited
Associate	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
Joint venture	Pan Aridus LLC	Pan Aridus LLC
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
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Dr. Jaimini Bhagwati *	Ms. Anjali Bansal
	Mr Francesco Crispino	Mr Francesco Crispino
	Mr Vishal Kashyap Mahadevia	Mr Vishal Kashyap Mahadevia
	Ms. Lakshmi Puri	Ms. Lakshmi Puri

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.

Ceased to be a wholetime director and re-appointed as non executive director w.e.f. 1st Feb 2023.

* Appointed during the year

ii) Transactions and balances with related parties

a) Companies in which directors are interested

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Description of transactions:		
Sales: finished goods		
Apollo International Limited	211.31	70.18
Apollo International FZC	55.44	380.88
	266.75	**451.06**
Sales: raw materials		
Classic Industries and Exports Limited	**859.15**	**735.71**
Cross charge of management & other expenses received:		
PTL Enterprises Ltd.	0.85	0.85

18 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES (Contd.)

₹ Million

Particulars	As at March 31, 2023	As at March 31, 2022
Classic Industries and Exports Limited	1.69	1.69
Artemis Medicare Services Ltd.	0.60	0.71
	3.14	3.25
Rent received:		
PTL Enterprises Ltd.	0.39	0.39
Classic Industries and Exports Limited	1.06	1.06
Artemis Medicare Services Ltd	0.18	0.05
Artemis Cardiac Care Pvt Ltd	0.12	0.03
Premedium Pharmaceuticals Pvt Ltd	0.06	0.02
Nutriburst India Private Limited	0.09	-
Sunrays Medi Equipment Pvt Ltd	0.05	-
	1.95	1.55
Reimbursement of expenses received:		
Classic Industries and Exports Limited	13.59	11.85
Freight & Insurance recovered:		
Apollo International FZC	-	0.02
Purchases of health supplements:		
Nutriburst India Private Limited	56.94	58.31
Nutriburst Ltd (UK)	13.10	25.02
	70.04	83.33
Purchases of stock in trade:		
Classic Industries and Exports Limited	4,410.12	3,836.80
Purchase of assets:		
Classic Industries and Exports Limited	625.04	757.19
Palazzo Design Limited	2.68	-
	627.72	757.19
Legal and professional charges paid:		
Shardul Amarchand Mangaldas & Co.	9.90	6.77
Purchase of license:		
Artemis Medicare Services Ltd.	45.50	-
Reimbursement of expenses paid:		
PTL Enterprises Ltd.	639.56	669.66
Classic Industries and Exports Limited	10.00	19.44
	649.56	689.10
Payment for services received:		
Artemis Medicare Services Ltd.	24.40	94.95
Classic Industries and Exports Limited	24.39	13.70
	48.79	108.65
Lease rent paid:		
PTL Enterprises Ltd.	611.20	600.00
Rent paid:		
Sunlife Tradelinks (P) Ltd.	36.00	31.82
Swaranganga Consultants Pvt Ltd	12.08	1.58
Rosspark Limited	64.62	74.12
Regent Properties	21.34	23.76
Classic Industries and Exports Limited	0.12	0.12
	134.16	131.40
Other expenses:		
Scalini Limited	2.97	3.62
Mixing charges paid:		
Classic Industries and Exports Limited	109.67	178.07
Refund of security deposits given:		
Regent Properties	3.30	-

18 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES (Contd.)

b) Associate

₹ Million

Particulars	FY 2022- 2023	FY 2021 - 2022
Payment for services received:		
KT Telematic Solutions Private Limited	0.51	0.88

₹ Million

Particulars	FY 2022- 2023	FY 2021 - 2022
Amount outstanding:		
Other non-current financial assets*:		
PTL Enterprises Ltd.	600.00	600.00
Sunlife Tradelinks (P) Ltd.	5.86	5.86
Regent Properties	2.10	5.40
Rosspark Limited	6.08	5.99
Swaranganga Consultants Pvt Ltd	3.15	3.15
	617.19	620.40
Other non-current assets:		
Classic Industries and Exports Limited	-	194.27
Trade receivables:		
Apollo International Limited	18.34	59.45
Artemis Cardiac Care Pvt Ltd	0.07	0.04
Artemis Medicare Services Ltd.	0.02	-
Premedium Pharmaceuticals Pvt Ltd	-	0.02
	18.43	59.51
Other current financial assets:		
PTL Enterprises Ltd.	50.52	51.74
KT Telematic Solutions Private Limited	0.01	-
Classic Industries and Exports Limited	201.99	263.31
	252.52	315.05
Trade payable:		
Classic Industries and Exports Limited	436.23	511.16
Artemis Medicare Services Ltd.	2.40	5.96
Shardul Amarchand Mangaldas & Co.	0.90	0.49
Rosspark Limited	-	6.05
	439.53	523.66
Other current financial liabilities:		
Classic Industries and Exports Limited	128.77	123.26
Apollo International FZC	0.37	18.11
KT Telematic Solutions Private Limited	-	0.25
	129.14	141.62

c) Key management personnel (KMP)

₹ Million

Particulars	FY 2022-23	FY 2021-22
Managerial remuneration:		
Mr. Onkar Kanwar	270.59	140.14
Mr. Neeraj Kanwar	284.12	122.62
Mr. Satish Sharma	99.70	89.58
	654.41	352.34
Sitting fees:		
Non-executive directors	4.29	4.13
Commission:		
Non-executive directors	50.00	38.00

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.

19 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 segments to prepare segment reporting.

₹ Million

Particulars	APMEA		Europe		Others		Eliminations		Total	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
1. REVENUE										
Total revenue	174,668.97	148,265.16	72,974.23	65,543.45	48,783.10	40,971.73	(50,745.00)	(45,304.56)	245,681.30	209,475.78
Inter segment revenue	(8,241.71)	(6,168.88)	(3,123.95)	(1,778.35)	(39,379.34)	(37,357.33)	50,745.00	45,304.56	-	-
External revenue	**166,427.26**	**142,096.28**	**69,850.28**	**63,765.10**	**9,403.76**	**3,614.40**	**-**	**-**	**245,681.30**	**209,475.78**
2. RESULT										
Segment result	12,346.87	7,151.27	5,107.68	4,481.18	1,901.48	1,346.64	-	-	19,356.03	12,979.09
Interest expense	(4,683.05)	(3,831.35)	(442.50)	(524.47)	(186.80)	(88.41)	-	-	(5,312.35)	(4,444.23)
Share of profit / (loss) in associates / joint venture	2.42	0.96	-	-	-	-	-	-	2.42	0.96
Exceptional items	-	(59.08)	225.77	-	-	-	-	-	225.77	(59.08)
Income taxes	(2,217.68)	(938.91)	(1,007.56)	(890.99)	(0.27)	(260.84)	-	-	(3,225.51)	(2,090.74)
Net profit after tax	**5,448.56**	**2,322.89**	**3,883.39**	**3,065.72**	**1,714.41**	**997.39**	**-**	**-**	**11,046.36**	**6,386.00**
3. OTHER INFORMATION										
Depreciation and amortisation	9,141.26	8,306.47	4,671.05	5,268.76	379.11	421.50	-	-	14,191.42	13,996.73

₹ Million

Particulars	APMEA		Europe		Others		Eliminations		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Segment assets	178,683.40	183,300.55	86,961.08	83,352.06	15,537.73	15,775.01	(7,590.11)	(10,969.58)	273,592.10	271,458.04
Segment liabilities	103,168.78	111,456.35	39,322.59	41,383.17	9,573.81	11,768.24	(7,250.91)	(10,671.04)	144,814.27	153,936.72
Non-current assets*	120,258.40	124,302.83	55,270.09	54,282.85	1,921.32	2,007.45	-	-	177,449.81	180,593.13
Capital Expenditure	4,584.83	18,458.50	2,586.92	2,483.93	202.25	156.55	-	-	7,374.00	21,098.98

*Non-current assets consists of property, plant and equipment, capital work-in-progress, intangible assets under development, 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, 2023 and March 31, 2022.

20 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors have recommended a final dividend of ₹ **4.00** per share amounting to ₹ **2,540.40 Million** and a Special Dividend of ₹ **0.50** per share amounting to ₹ **317.55 Million** on occasion of 50th Annual General Meeting (AGM) of the Company, aggregating to ₹ **4.50** (₹3.25) per share amounting to ₹ **2,857.95 Million** (₹ 2,064.08 Million) on equity shares of ₹ 1/- each for the year, subject to approval from Shareholders.

21 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT

S. No	Name of the entity	Net assets as at March 31, 2023		Share in profit or (loss) for the year ended March 31, 2023		Share in other comprehensive income for the year ended March 31, 2023		Share in total comprehensive income or (loss) for the year ended March 31, 2023	
		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
	Company								
1	Apollo Tyres Limited	76.88	98,999.03	52.39	5,787.38	4.00	90.99	44.13	5,878.37
	Indian subsidiary								
2	Apollo Tyres Centre of Excellence Limited	0.09	120.78	0.07	7.78	(0.04)	(0.99)	0.05	6.79
	Foreign subsidiaries								
3	Apollo Tyres (Greenfield) B.V.	0.02	25.96	-	0.05	-	-	-	0.05
4	Apollo Tyres Cooperatief U.A. & Others (refer Note 1 below)	139.45	179,580.30	97.58	10,779.38	8.57	194.96	82.39	10,974.34
	Indian associate								
5	KT Telematic Solutions Private Limited	0.01	17.00	0.02	1.79	-	-	0.01	1.79
6	Add / (Less): Effect of GAAP, Consolidation adjustments / eliminations	(116.45)	(149,965.24)	(50.06)	(5,530.02)	87.47	1,989.27	(26.58)	(3,540.75)
Total		**100.00**	**128,777.83**	**100.00**	**11,046.36**	**100.00**	**2,274.23**	**100.00**	**13,320.59**

Note 1 Apollo Tyres Cooperatief U.A. and Others:

₹ Million

S. No	Name of the entity	Net assets as at March 31, 2023	Share in profit or (loss) for the year ended March 31, 2023	Share in other comprehensive income for the year ended March 31, 2023	Share in total comprehensive income or (loss) for the year ended March 31, 2023
1	Apollo Tyres Cooperatief U.A. (Apollo Coop)	70,141.62	456.33	-	456.33
2	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	303.26	0.42	-	0.42
3	Apollo Tyres Africa (Pty) Ltd	220.02	72.26	-	72.26
4	Apollo Tyres (Thailand) Limited	95.47	(163.62)	-	(163.62)
5	Apollo Tyres (Middle East) FZE	23.54	(249.82)	-	(249.82)
6	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	3,047.91	775.33	-	775.33
7	Apollo Tyres (Malaysia) SDN BHD	5.52	-	-	-
8	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK)	1,923.02	60.23	-	60.23
9	Apollo Tyres (London) Pvt Ltd	1,061.34	-	-	-
10	Apollo Tyres Global R&D B.V.	516.29	213.17	-	213.17
11	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH)	207.45	20.03	-	20.03
12	Apollo Tyres AG	583.11	143.68	-	143.68
13	Apollo Tyres Do (Brasil) Ltda	(4.23)	2.17	-	2.17
14	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU)	44,362.75	3,926.37	-	3,926.37
15	Apollo Tyres (Hungary) Kft. (ATH Kft)	34,115.71	1,434.44	-	1,434.44
16	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL)	16,418.39	3,051.63	-	3,051.63

21 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT (Contd.)

₹ Million

S. No	Name of the entity	Net assets as at March 31, 2023	Share in profit or (loss) for the year ended March 31, 2023	Share in other comprehensive income for the year ended March 31, 2023	Share in total comprehensive income or (loss) for the year ended March 31, 2023
17	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	3,582.43	289.18	180.94	470.12
18	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	97.51	8.35	-	8.35
19	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	270.36	11.52	-	11.52
20	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	205.02	7.06	-	7.06
21	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	160.73	40.82	-	40.82
22	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	53.09	24.93	-	24.93
23	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	302.42	12.02	-	12.02
24	Apollo Tyres Iberica S.A.U. (Formerly Apollo Vredestein Iberica SAU)	515.12	32.97	-	32.97
25	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.)	263.83	501.14	-	501.14
26	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	27.83	61.29	-	61.29
27	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	216.55	23.36	-	23.36
28	Vredestein Consulting B.V.	283.11	0.90	-	0.90
29	Finlo B.V.	(20.05)	-	-	-
30	Reifencom GmbH, Hannover	416.11	16.53	14.02	30.55
31	Reifencom Tyre (Qingdao) Co., Ltd.	(1.29)	(0.65)	-	(0.65)
32	Saturn F1 Pvt Ltd	186.36	7.34	-	7.34
Total		**179,580.30**	**10,779.38**	**194.96**	**10,974.34**

S. No	Name of the entity	Net assets as at March 31, 2022		Share in profit or (loss) for the year ended March 31, 2022		Share in other comprehensive income for the year ended March 31, 2022		Share in total comprehensive income or (loss) for the year ended March 31, 2022	
		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
	Company								
1	Apollo Tyres Limited	80.99	95,184.74	40.88	2,610.64	(6.65)	71.34	50.48	2,681.98
	Indian subsidiary								
2	Apollo Tyres Centre of Excellence Limited	0.04	48.85	(0.02)	(1.08)	-	-	(0.02)	(1.08)
	Foreign subsidiaries								
3	Apollo Tyres (Greenfield) B.V.	0.02	24.44	0.01	0.37	-	-	0.01	0.37
4	Apollo Tyres Cooperatief U.A. & Others (refer Note 1 below)	138.18	162,390.36	198.63	12,684.42	(5.46)	58.54	239.85	12,742.96
	Indian associate								
5	KT Telematic Solutions Private Limited	0.01	15.21	0.02	1.59	-	-	0.03	1.59
6	Add / (Less): Effect of GAAP, Consolidation adjustments / eliminations	(119.24)	(140,142.28)	(139.52)	(8,909.94)	112.11	(1,203.02)	(190.35)	(10,112.96)
Total		**100.00**	**117,521.32**	**100.00**	**6,386.00**	**100.00**	**(1,073.14)**	**100.00**	**5,312.86**

21 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT (Contd.)

Note 1 Apollo Tyres Cooperatief U.A. and Others:

₹ Million

S. No	Name of the entity	Net assets as at March 31, 2022	Share in profit or (loss) for the year ended March 31, 2022	Share in other comprehensive income for the year ended March 31, 2022	Share in total comprehensive income or (loss) for the year ended March 31, 2022
1	Apollo Tyres Cooperatief U.A. (Apollo Coop)	65,671.54	4,767.58	-	4,767.58
2	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	340.79	0.06	-	0.06
3	Apollo Tyres Africa (Pty) Ltd	168.38	56.43	-	56.43
4	Apollo Tyres (Thailand) Limited	254.22	(26.81)	-	(26.81)
5	Apollo Tyres (Middle East) FZE	257.62	(134.33)	-	(134.33)
6	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	2,494.42	655.98	-	655.98
7	ATL Singapore Pte Ltd.	-	4.99	-	4.99
8	Apollo Tyres (Malaysia) SDN BHD	5.35	(27.24)	-	(27.24)
9	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK)	1,830.94	54.39	-	54.39
10	Apollo Tyres (London) Pvt Ltd	1,044.76	-	-	-
11	Apollo Tyres Global R&D B.V.	272.81	166.96	-	166.96
12	"Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH)"	175.52	16.91	-	16.91
13	Apollo Tyres AG	468.06	112.76	-	112.76
14	Apollo Tyres Do (Brasil) Ltda	(6.41)	1.52	-	1.52
15	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU)	37,895.54	2,936.52	-	2,936.52
16	Apollo Tyres (Hungary) Kft. (ATH Kft)	32,644.73	1,264.06	-	1,264.06
17	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL)	13,679.72	2,521.86	-	2,521.86
18	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	3,088.19	223.79	52.23	276.02
19	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	90.85	20.71	-	20.71
20	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	254.30	24.98	-	24.98
21	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	179.40	37.98	-	37.98
22	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	110.55	45.39	-	45.39
23	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	25.02	42.98	-	42.98
24	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	279.82	10.34	-	10.34
25	Apollo Tyres Iberica S.A.U. (Formerly Apollo Vredestein Iberica SAU)	452.69	19.41	-	19.41
26	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.)	(229.43)	(196.98)	-	(196.98)
27	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	(38.99)	(56.21)	-	(56.21)
28	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	181.66	23.95	-	23.95
29	Vredestein Consulting B.V.	266.11	(0.01)	-	(0.01)
30	Finlo B.V.	(18.90)	-	-	-
31	Reifencom GmbH, Hannover	375.83	110.12	6.31	116.43
32	Reifencom Tyre (Qingdao) Co., Ltd.	(0.63)	0.60	-	0.60
33	Saturn F1 Pvt Ltd	175.90	5.73	-	5.73
Total		**162,390.36**	**12,684.42**	**58.54**	**12,742.96**

22 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

23 Ageing of Trade Payables

₹ Million

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	306.28	-	-	-	-	306.28
Others	4,929.03	23,411.28	3,840.63	56.09	842.87	152.32	33,232.22
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,929.03**	**23,717.56**	**3,840.63**	**56.09**	**842.87**	**152.32**	**33,538.50**

₹ Million

Particulars	As at March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	337.63	-	-	-	-	337.63
Others	4,953.01	23,009.82	6,001.66	852.34	1.49	153.50	34,971.82
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,953.01**	**23,347.45**	**6,001.66**	**852.34**	**1.49**	**153.50**	**35,309.45**

Include amount of ₹ **4,176.61 million** (₹ 3,673.63 million) which are interest bearing in nature and payable to banks at the behest of certain vendors.

24 Ageing of Trade Receivables

₹ Million

Particulars	As at March 31, 2023							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	49.50	23,128.74	1,569.70	121.91	4.24	2.65	8.60	24,885.34
Undisputed trade receivables – which have significant increase in credit risk	-	-	57.28	50.71	194.38	141.19	422.54	866.10
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**49.50**	**23,128.74**	**1,626.98**	**172.62**	**198.62**	**143.84**	**431.14**	**25,751.44**

24 AGEING OF TRADE RECEIVABLES (contd.)

₹ Million

Particulars	As at March 31, 2022							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	54.83	19,146.68	1,294.37	3.49	3.50	2.19	7.86	20,512.92
Undisputed trade receivables – which have significant increase in credit risk	-	-	191.19	16.79	138.21	60.79	451.64	858.62
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**54.83**	**19,146.68**	**1,485.56**	**20.28**	**141.71**	**62.98**	**459.50**	**21,371.54**

i) Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

ii) Amount received from customer under recurring advance scheme (RAS) have been reclassified from trade receivable to other current liabilities (Note B21) and provision for schemes & discounts is reclassified from other current liabilities (Note B21) to trade receivables.

25 Capital Work In Progress (CWIP) and Intangible Assets Under Development

a) Ageing schedule

₹ Million

Particulars	As at March 31, 2023				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress	1,789.31	92.89	44.96	66.43	1,993.59
Intagible assets under development	179.00	192.64	160.39	-	532.03
Total	**1,968.31**	**285.53**	**205.35**	**66.43**	**2,525.62**

₹ Million

Particulars	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress	4,437.61	661.33	247.71	600.74	5,947.39
Intagible assets under development	114.83	13.86	104.15	2.11	234.95
Total	**4,552.44**	**675.19**	**351.86**	**602.85**	**6,182.34**

b) Changes in the carrying value of capital work in progress and intangible assets under development

₹ Million

Particulars	Capital work-in-progress	Intangible assets under development	Total
Carrying value			
As on April 01, 2021			
Additions	10,686.50	378.62	11,065.12
Capitalised	20,150.25	948.73	21,098.98
As on March 31, 2022	**24,889.36**	**1,092.40**	**25,981.76**
Additions	5,947.39	234.95	6,182.34
Capitalised	6,147.58	1,226.42	7,374.00
As on March 31, 2023	10,101.38	929.34	11,030.72
	1,993.59	**532.03**	**2,525.62**

c) There are no projects which are temporarily suspended

d) There is no project in CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

26 Reconciliation of Liabilities from Financing Activities

₹ Million

Particulars	As at April 01, 2022	Cash flows	Non cash changes				As at March 31, 2023
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	53,097.05	(4,064.99)	980.58	-	-	117.83	50,130.47
Current borrowings	8,839.55	(3,413.42)	314.32	-	-	5.58	5,746.03
Lease liability	8,672.55	(2,576.75)	167.23	468.18	1,734.92	(137.33)	8,328.80

₹ Million

Particulars	As at April 01, 2021	Cash flows	Non cash changes				As at March 31, 2022
			Foreign exchange movement*	Interest expense	New leases	Others	
"Non-current borrowings (including current maturities)	61,022.59	(7,637.12)	(364.54)	-	-	76.12	53,097.05
Current borrowings	3,033.43	5,761.31	45.48	-	-	(0.67)	8,839.55
Lease liability	9,279.10	(2,694.07)	(74.87)	511.81	1,720.21	(69.63)	8,672.55

* Foreign exchange movement for the Company is hedged by derivative instrument and includes currency translation impact for subsidiaries arising out of consolidation.

27 The Group's revenue disaggregated by geographical markets has been disclosed in note C19.

Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price (as invoiced)	252,710.62	215,256.10
Reduction towards variable consideration components	(11,487.38)	(9,447.96)
Revenue from contract with customers	**241,223.24**	**205,808.14**

Contract balances

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables	24,885.34	20,512.92
Advances received / credit balance from customers	10,927.92	10,891.23

The Group receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.

28 a) During the current year, one of the subsidiary companies has reassessed impairment loss recognized in the earlier period. Consequently, a part of the recognised loss amounting to ₹ **225.77 million** [₹ 141.10 million in property, plant and equipment and ₹ 84.67 in other assets] has been written back and presented as an exceptional item in these financial statements.

b) The Company and other subsidiaries in APMEA had carried out an employee re-organisation exercise for its employees. The amount (including foreign exchange) paid to the employees who opted for this scheme aggregated to ₹ **Nil** (₹ 59.08 Million) during the year ended March 31, 2023, has been disclosed as an exceptional item.

29 Earnings Per Share (EPS) – The Numerator And Denominator Used to Calculate Basic and Diluted Earnings Per Share:

₹ Million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	11,046.36	6,386.00
The weighted average number of equity shares outstanding during the year used as denominator - (B)	635,100,946	635,100,946
Basic / Diluted earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	17.39	10.06

30 Previous year's figures has been regrouped and / or reclassed wherever necessary to confirm to the current year's groupings and classifications.

31 Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Group has not been declared wilful defaulter by any bank or financial institution or any of the lender.

(ix) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

As per our report of even date

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No. 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Place: Gurugram
Date: May 9, 2023

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman
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

Place: Amsterdam
Date: May 9, 2023

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 / associates / joint venture

Part A: Subsidiaries

₹ Million

S. No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as at 31.03.2023	As at March 31, 2023						For the year ended March 31, 2023			
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	% of Shareholding	Turnover (including other income)	Profit before tax	Tax expense	Profit after tax
1	Apollo Tyres Centre of Excellence Limited	October 10, 2020	INR	1.00	53.90	66.88	233.33	112.55	-	100%	121.43	10.40	2.62	7.78
2	Apollo Tyres (Greenfield) B.V.	June 4, 2014	EURO	89.10	3.21	22.75	26.06	0.10	-	100%	0.71	0.05	-	0.05
3	Apollo Tyres Cooperatief U.A. (Apollo Coop)	May 1, 2009	EURO	89.10	27,277.43	42,864.19	71,890.37	1,748.75	213.40	100%	498.35	466.55	10.22	456.33
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	September 29, 2006	ZAR	4.62	-	303.26	303.41	0.15	-	100%	0.70	0.58	0.16	0.42
5	Apollo Tyres Africa (Pty) Ltd	July 29, 2013	ZAR	4.62	1,847.51	(1,627.49)	1,049.60	829.58	-	100%	2,264.55	98.10	25.84	72.26
6	Apollo Tyres (Thailand) Limited	January 22, 2013	THB	2.40	240.43	(144.96)	678.71	583.24	-	100%	2,767.11	(163.62)	-	(163.62)
7	Apollo Tyres (Middle East) FZE	January 2, 2011	AED	22.38	44.76	(21.22)	768.62	745.08	-	100%	6,348.67	(249.82)	-	(249.82)
8	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	September 8, 2010	USD	82.18	1,077.46	1,970.45	8,873.62	5,825.71	-	100%	39,368.24	934.93	159.60	775.33
9	Apollo Tyres (Malaysia) SDN BHD	March 15, 2016	MYR	18.63	120.78	(115.26)	6.73	1.21	-	100%	-	-	-	-
10	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK)	March 16, 2012	GBP	101.33	1.87	1,921.15	2,146.05	223.03	-	100%	1,523.46	79.10	18.87	60.23
11	Apollo Tyres (London) Pvt Ltd	December 12, 2014	GBP	101.33	0.10	1,061.24	1,063.17	1.83	-	100%	-	-	-	-
12	Apollo Tyres Global R&D B.V.	January 2, 2013	EURO	89.10	0.01	516.28	1,113.60	597.31	-	100%	2,918.46	287.29	74.12	213.17
13	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH)	November 11, 2015	EURO	89.10	2.23	205.22	220.41	12.96	-	100%	301.50	28.87	8.84	20.03
14	Apollo Tyres AG	July 4, 2007	CHF	89.77	336.50	246.61	608.46	25.35	-	100%	305.67	160.13	16.45	143.68
15	Apollo Tyres Do (Brasil) Ltda	September 15, 2011	BRL	16.23	12.82	(17.05)	0.24	4.47	-	100%	-	2.17	-	2.17
16	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU)	March 2, 2012	EURO	89.10	1.60	44,361.15	58,661.72	14,298.97	-	100%	-	4,948.56	1,022.19	3,926.37
17	Apollo Tyres (Hungary) Kft. (ATH Kft)	June 4, 2014	HUF	0.23	24.04	34,091.67	40,844.95	6,729.24	-	100%	23,832.99	1,447.77	13.33	1,434.44
18	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL)	May 15, 2009	EURO	89.10	3.79	16,414.60	33,007.27	16,588.88	-	100%	50,486.53	4,099.11	1,047.48	3,051.63
19	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	May 15, 2009	EURO	89.10	45.62	3,536.81	5,436.18	1,853.75	-	100%	13,683.20	438.67	149.49	289.18

Form AOC 1 (Contd.)

Part A: Subsidiaries (Contd.)

₹ Million

S. No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as at 31.03.2023	As at March 31, 2023						For the year ended March 31, 2023			
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	% of Shareholding	Turnover (including other income)	Profit before tax	Tax expense	Profit after tax
20	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	May 15, 2009	SEK	7.91	7.52	89.99	459.27	361.76	-	100%	1,099.95	9.06	0.71	8.35
21	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	May 15, 2009	GBP	101.33	101.44	168.92	678.43	408.07	-	100%	1,728.21	15.01	3.49	11.52
22	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	May 15, 2009	EURO	89.10	3.74	201.28	957.69	752.67	-	100%	3,875.11	29.66	22.60	7.06
23	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	May 15, 2009	EURO	89.10	5.52	155.21	613.07	452.34	-	100%	2,903.96	57.05	16.23	40.82
24	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	May 15, 2009	EURO	89.10	3.24	49.85	928.86	875.77	-	100%	3,506.30	32.24	7.31	24.93
25	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	May 15, 2009	CHF	89.77	201.97	100.45	355.89	53.47	-	100%	1,134.44	14.15	2.13	12.02
26	Apollo Tyres Iberica S.A.U. (Formerly Apollo Vredestein Iberica SAU)	May 15, 2009	EURO	89.10	276.31	238.81	724.84	209.72	-	100%	2,834.09	58.21	25.24	32.97
27	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.)	May 15, 2009	USD	82.18	1,088.95	(825.12)	4,343.20	4,079.37	-	100%	9,403.75	202.19	(298.95)	501.14
28	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	May 15, 2009	HUF	0.23	0.70	27.13	1,031.37	1,003.54	-	100%	1,448.59	70.37	9.08	61.29
29	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	May 15, 2009	PLN	19.06	0.95	215.60	1,113.45	896.90	-	100%	2,572.69	34.55	11.19	23.36
30	Vredestein Consulting B.V.	May 15, 2009	EURO	89.10	2.02	281.09	14.22	(268.89)	-	100%	-	1.21	0.31	0.90
31	Finlo B.V.	May 15, 2009	EURO	89.10	0.80	(20.85)	-	20.05	-	100%	-	-	-	-
32	Reifencom GmbH, Hannover	January 1, 2016	EURO	89.10	66.82	349.29	5,632.15	5,216.04	-	100%	17,521.37	24.37	7.84	16.53
33	Reifencom Tyre (Qingdao) Co., Ltd.	January 1, 2016	CNY	11.96	5.90	(7.19)	-	1.29	-	100%	2.46	(0.65)	-	(0.65)
34	Saturn F1 Pvt Ltd	September 16, 2016	GBP	101.33	323.00	(136.64)	197.07	10.71	-	100%	176.30	8.35	1.01	7.34

Form AOC 1 (Contd.)

Part A: Subsidiaries (Contd.)

Note 1 Name of subsidiaries which are yet to commence operations/non-operating - Finlo B.V.
Note 2 ATL Singapore Pte Ltd., subsidiary was liquidated w.e.f. 08.08.2022
Note 3 Financial period for all the subsidiaries is April to March.
Note 4 Details of dividend proposed by subsidiaries to their parent entity as on March 31, 2023 are as under:

Name of the subsidiary	₹ Million
Apollo Tyres (Hungary) Kft. (ATH Kft)	3,508.50
Apollo Tyres AG	145.87

Part B: Joint Venture & Associate

S. No.	Name of the Associate	KT Telematic Solutions Private Limited	CSE Deccan Solar Private Limited
1	Date on which the Associate was associated or acquired	February 21, 2018	January 14, 2022
2	Latest Audited Balance Sheet date	March 31, 2023	March 31, 2023
3	Shares of associate entity held by the company at the year end		
	No.	3,334	1,200,000
	Extent of Holding %	25.00%	27.27%
	Amount of Investment in associate entity (₹ Million)	45.01	96.00
4	Description of how there is significant influence	Refer note 1 below	Refer note 2 below
5	Reason why the associate is not consolidated	Not applicable	Refer note 2 below
6	Net worth attributable to Shareholding as per latest Balance Sheet (₹ Million)	17.00	91.01
7	Profit / (Loss) for the year		
	i. Considered in Consolidation (₹ Million)	1.79	-
	ii. Not Considered in Consolidation (₹ Million)	NA	NA

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 During the previous year, the Company had invested ₹ 93.30 million by purchasing 11,66,250 equity shares and in current year further invested ₹ 2.70 million by purchasing 33,750 equity shares of CSE Deccan Solar Private Limited, totalling equity stake 27.27% as on March 31, 2023, to get a guaranteed supply of 40 million units of electricity per annum for its Chennai Plant. This amount is refundable after the tenure. Consequent to this investment, CSE Deccan Solar Private Limited has been considered as an Associate Company as per the requirement of Companies Act, 2013. However, as per the provisions of IND AS 28 - Investment in Associates and Joint Ventures, the said investment made by the Company is not considered as an investment in associate. Therefore, this investment has been accounted for as per the provisions of IND AS 109 Financial Instruments.

Form AOC 1 (Contd.)

Part B: Joint Venture & Associate (Contd.)

Note 3 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.

Note 4 **Name of associates or joint ventures which are yet to commence operations**

None

Note 5 **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
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

Place: Amsterdam
Date: May 9, 2023

Notes

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, 2023

S. No.	Name	Designation	Qualification	D.O.J.	Age	Exp.	Remuneration	Previous Employment	Last Designation
Employed throughout the year							(₹ Million)		
1	Mr. Anand Maithani	Group Head - SCM & IT (APMEA)	MBA, BE	February 15, 2011	48	25	19.55	Philips Electronics India Ltd	General Manager
2	Mr. Anand Sathyamoorthy	Unit Head - Chinnapanduru Plant	B.Sc	January 13, 2006	49	28	11.64	MRF Ltd.	Senior Supervisor
3	Mr. Aneet Chaku	Head - Customer Service (APMEA)	Executive Program in Mgmt, BBH(HM)	September 8, 2015	53	32	15.23	Vodafone India Limited	AVP - Quality
4	Mr. Ankur Thakur	Head - Product Marketing (Passenger Vehicle)	MBA, BBA	December 12, 2016	46	20	11.97	Reliance Retail (Online Fashion E.Com)	V.P. Marketing
5	Mr. Davendra Mittal	Head - Finance	MBA, BE	March 21, 2013	54	29	17.13	Lanco Infratech Ltd.	Sr. Vice President - Projects Finance
6	Mr. Deepak Gupta	Head - Business Quality	BE, Diploma in Business Mgnt.	July 22, 2014	54	31	12.84	Frigoglass India Pvt Ltd	Head - Quality & Product Integrity
7	Mr. Dominic George Martin	Head - Product Marketing (CV/OHT)	MBA, B.Com	November 1, 2001	56	30	12.50	MRF Ltd.	District Manager
8	Mr. Gaurav Kumar	Chief Financial Officer	B.Tech., MBA	March 1, 2004	53	30	89.46	HCL Technologies Ltd.	AVP - Mergers & Acquisitions
9	Mr. George Oommen	Unit Head - Kerala Plants	BE	August 30, 2007	60	38	13.77	Carborundum Universal Limited	AGM
10	Mr. Harish Bahadur	Head - Corporate Investments	B.Com(H)	February 2, 1975	70	48	28.63	-	-
11	Mr. Hideki Otsuji	Head - Two Three Wheeler (R&D)	BE	June 1, 2020	59	36	14.08	Sumitomo Rubber Industries Ltd.	Manager - Test Department
12	Mr. Hisashi Ishibashi	Head - Business Development (OE)	M.Tech (Mechanical)	January 1, 2020	63	38	18.61	Bridgestone Corporation	General Manager
13	Mr. K. Prabhakar	Chief - Projects	B.Tech., PGD Ind. Engg. ICWA	March 1, 2019	68	42	48.66	Apollo Tyres (Hungary) KFT	Managing Director
14	Mr. K Sunil	Group Head - Mfg Strategy & Developmt (APMEA)	B. Tech	July 1, 1987	59	36	13.15	-	-
15	Mr. Neeraj Kanwar	Vice Chairman & Managing Director	B. Sc, ACMS	February 24, 1997	51	28	284.12	Apollo Finance Ltd	Joint President
16	Mr. Pinaki Bhattacharjee	Head - Corporate Procurement	MBA, B.A.	January 1, 2003	54	31	10.74	Goodyear India Ltd	Asst. Manager Purchase
17	Mr. Piush Bansal	Unit Head - Limda Plant	B.E. (Mech.), PGDBM	August 20, 2013	57	37	27.65	Moser Baer India	Vice President
18	Mr. Praveen Tripathi	Group Head - Corporate Procurement	MBA, ICWA	October 15, 1990	53	33	22.94	-	-
19	Mr. Praveen Moon	Group Head - Internal Systems	CA, B.Com(H)	October 16, 2012	49	29	16.63	Pricewaterhouse Coopers Pvt Ltd	Associate Director
20	Mr. Prem Prakash Sharma	Head - HR - Limda Plant	PGDBM, PGDBA	July 30, 2013	59	36	14.19	India Yamaha Motor Pvt Ltd	Group Head - GA, Personnel & HR
21	Mr. P. K. Mohamed	Chief Advisor - Research & Development	B.Sc, LPRI	February 19, 2001	82	59	39.17	Ceat Ltd.	Eexecutive Director - Technical
22	Mr. Rajesh Dahiya	Vice President - Marketing & Sales (ISO)	B.Com, MBA,	August 20, 1990	56	34	44.01	Indian Express	Business Executive
23	Mr. Ravi Kumar Shingari	Group Head-Corporate Taxation & Accounts	CA, B.Com(H)	September 28, 2018	44	23	23.43	KPMG	National Head - India Japan Corridor
24	Ms. Rinika Grover	Head - Sustainability & CSR	M.Sc., B.Com(H)	September 29, 2014	50	24	10.27	Raleigh International	Dy. Head of Programmes & Policy
25	Ms. Ritu Kumar	Group Head - Corporate Strategy & Legal	CA, CS	April 19, 2006	49	23	18.30	American Express	Team Leader
26	Mr. Rohit Arora	Group Head - Accounts (APMEA)	CA	September 19, 2000	51	29	23.26	ACC Ltd	Asst. Manager - Accounts
27	Mr. Sandeep Mathur	Group Head - OE & Inst. Business	MBA, M.Sc	July 25, 1994	54	29	15.52	-	-
28	Mr. Satish Sharma	President (APMEA) & Whole-time Director	BE, PGDBM	October 15, 1997	55	34	99.70	JK Industries Ltd	Manager
29	Ms. Seema Thapar	Company Secretary & Compliance Officer	LLB, M.Com, FCS	October 1, 1991	57	33	10.21	Mohan Exports (India) Pvt. Ltd.	Asst. Company Secretary
30	Mr. S.K.P. Amarnath	Group Head - R&D (Asia)	B.Tech, B.Sc	February 21, 2000	54	31	20.42	Monotond Tyres Ltd.	Dy. Manager
31	Mr. Suresh Damodaran	Head - OHT	MBA, B.Tech	February 16, 2018	63	40	13.16	ATC Tires (P) Ltd	Exe - Vice President
32	Mr. Thomas Mathew C.	Unit Head - Chennai	BE/ B.Tech, MBA	July 1, 1987	60	36	19.33	-	-
33	Mr. Yoichi Sato	Chief - Quality & Safety Officer	B.Sc (Engg)	June 1, 2020	66	26	48.31	SWOT Management Solutions Private Limited	Director - Business Quality
Employed part of the year									
1	Mr. Anil Chopra	Group Head - CoE	B.Com, ACA	August 18, 1992	68	42	35.69	Altos India Ltd	Manager - Finance
2	Mr. Chandrasekhar Velagapudi	Group Head-Global IT Infra. & PMO	M.Sc., B.Sc	April 4, 2022	57	34	19.46	JSW Steel Limited	Vice President - IT
3	Mr. Dipankar Ghosh	Group Head - HR (APMEA)	MBA, B.A.	August 1, 2022	50	27	12.42	Bajaj Consumer Care Ltd	CHRO
4	Ms. Harshita Pande	Group Head - HR (APMEA)	M.Sc (Sustainability), Dip. In CSR	March 18, 2002	56	30	12.00	Discovery Communications India	Associate Director
5	Ms. Leenaja EM Janardanan Nambiar	Group Head - Corporate Controlling	CIMA	October 1, 2018	52	27	18.55	Apollo Tyres Global R&D B.V.	Head Manufacturing Controling
6	Ms. Neelima Kataria	Head - HR Business Partner	PGDBM	January 9, 2017	50	15	1.84	HT Media Ltd	Head HR
7	Mr. Onkar Kanwar	Chairman & Managing Director	B.Sc, Bach. of Admn.	February 1, 1988	80	62	270.59	BST Manufacturing Ltd	Managing Director
8	Mr. Rajasekhara Reddy Avthu	Group Head - SCM (APMEA)	PGDM, B.Tech	September 1, 2022	47	24	10.36	Glenmark Pharmaceuticals Limited	Vice President
9	Mr. Saurabh Kumar	Head - Global Enterprise Application	PGP in Mgnt, BE	November 1, 2022	42	16	4.23	DIAGEO Business Services Pvt Ltd	D&T Capability Owner - SAP
10	Mr. Vikram Garga	Group Head - Marketing (APMEA)	MBA, BE	July 11, 2022	51	23	19.50	Mahindra and Mahindra Limited	Vice President

Note :

1 None of the above is related to any Director of the Company except Mr. Onkar Kanwar & Mr. Neeraj Kanwar being father and son.

2 All appointments are contractual.

For and on behalf of the Board of Directors

Place : Amsterdam
Date : May 9, 2023

ONKAR KANWAR
Chairman
DIN: 00058921

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