APOLLO TYRES LTD

Regd. Office: 3rd Floor, Areekal Mansion, Near Manorama Junction,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 47th Annual General Meeting of the Members of APOLLO TYRES LTD will be held on August 20, 2020, Thursday at 3:00 PM through Video Conferencing (VC) for which purpose the Registered Office of the Company situated at 3rd Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi-682036 shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be made thereat, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:
   a. the audited financial statement of the Company for the financial year ended March 31, 2020, 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, 2020 and report of Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 3/- per equity share already paid during the year as the Final Dividend for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Sunam Sarkar (DIN-00058859), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify the payment of remuneration to the Cost Auditor for the financial year 2020-21 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditor, M/s. N.P.Gopalakrishnan & Co., Cost Accountants appointed by the Board of Directors of the Company for carrying out Cost Audit of the Company's plants at Perambra (Kerala), Limda (Gujarat), Chennai (Tamil Nadu) and Chinnapandur (Andhra Pradesh) and Company's leased operated plant at Kalamassery (Kerala) for the financial year 2020-21 be paid out a remuneration of ₹3.30 lakhs per annum plus reimbursement of out of pocket expenses.

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

5. To re-appoint General Bikram Singh (Retd.) (DIN-07259060) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") the Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Rules") and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), General Bikram Singh (Retd.) (DIN-07259060), who was appointed as an Independent Director and who holds office of Independent Director upto August 10, 2020, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years with effect from August 11, 2020 to August 10, 2023, on the Board of the Company.

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

6. To appoint Mr. Francesco Crispino (DIN-00935998) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Francesco Crispino (DIN-00935998), who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 3, 2020, in terms of Section 161(1) of the Companies Act, 2013, whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years with effect from July 3, 2020 to July 2, 2025, on the Board of the Company.

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

By Order of the Board
For Apollo Tyres Ltd

SEEMA THAPAR
Company Secretary
FCS No.: 6690

Place: New Delhi
Date : July 4, 2020

NOTES:

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC). Hence, Members can attend and participate in the ensuing AGM through VC.

2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-Voting.

3. In compliance with MCA Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report FY20) 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).

4. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. The Register of Members and Share Transfer Books shall remain closed from August 14, 2020 to August 20, 2020 (both days inclusive).

7. Corporate Members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.

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

9. All documents referred to in the notice can be obtained for inspection through secured mode by writing to the Company at its email ID investors@apollotyres.com till the date of the meeting.

10. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-Voting system at https://www.evoting.nsdl.com/.

11. The shares of the Company are under compulsory demat list of Securities & Exchange Board of India w.e.f. November 11, 1999. The trading in equity shares can now only be done in demat form. In case you do not hold shares in demat form, you may do so by opening an account with a depository participant and complete dematerialisation formalities.

12. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the Members.

13. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.

14. PROCEDURE FOR REMOTE E-VOTING, E-VOTING DURING THE AGM AND ATTENDING THE AGM THROUGH VC:

I. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, May 13, 2020 and May 5, 2020, the Company has provided a facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-Voting") through the electronic voting service facility arranged by National Securities Depository Limited (NSDL).

The facility of casting votes by a Member using remote e-Voting as well as e-Voting on the day of the AGM will be provided by NSDL.

The Members attending the AGM who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-Voting prior to the meeting may also attend the AGM but shall not be entitled to cast their vote again.

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.

The instructions for members for remote e-Voting are as under:

<u>How do I vote electronically using NSDL e-Voting system?</u>

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

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

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

Details on Step 1 is mentioned below:

<u>How to Log-in to NSDL e-Voting website?</u>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (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."ATLe-voting.pdf" file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) **If your email ID is not registered with the depositories, for procuring user id and password and for registration of email ID for e-Voting, please follow the steps mentioned below:**

         (a) In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of PAN Card, self-attested copy of Aadhar Card by email to investors@apollotyres.com

         (b) In case shares are held in demat mode, please provide DPID CLENT ID (16 digit DP ID +CLIENT ID or 16 digit beneficiary ID), Name, client master or copy of consolidated account statement, self-attested copy of PAN Card, self-attested copy of Aadhar Card by email to investors@apollotyres.com

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.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

<u>How to cast your vote electronically on NSDL e-Voting system ?</u>

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

<u>General Guidelines for shareholders</u>

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tenrosekochi@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com 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 toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members, 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. Only Members who hold shares as on cut-off date i.e. August 13, 2020, may cast their vote electronically in the AGM.

4. 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.

5. 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 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 the same at https://www.evoting.nsdl.com under Members login by using the remote e-Voting credentials. The link for VC will be available in Members login where the EVEN of the 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. Further Members can also use the OTP based log in for logging into the e-Voting system of NSDL.

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 wifi or LAN Connection to mitigate any kind of aforesaid glitches.

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

Members can directly contact Ms. Pallavi Mhatre, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in, Toll free no.: 1800-222-990. Members may also write to the Company Secretary at the email ID: investors@apollotyres.com.

PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS OF MEMBERS AND GETTING COPY OF NOTICE OF AGM AND ANNUAL REPORT FY20

1. Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report FY20 along with AGM Notice by email to investors@apollotyres.com. Members holding shares in demat form can update their email address with their Depository Participants.
2. Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of 47th AGM and Annual Report for FY20 and thereafter shall be disabled from the records of the RTA immediately after the AGM. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.
3. A Member can also register his email address and contact details with us, by writing to us addressed to the Secretarial Department at our Corporate Office, or at our email ID: investors@apollotyres.com. This will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.

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

1. As the AGM is being conducted through VC, members are encouraged to express their views/ send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at investors@apollotyres.com to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Thursday, August 13, 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.

2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investors@apollotyres.com on or before Thursday, August 13, 2020. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM.

3. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

II. The e-voting period commences on August 17, 2020 (10:00 AM) and ends on August 19, 2020 (5:00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 13, 2020, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The voting rights of Members shall be as per the number of equity shares held by Members as on the cut-off date of August 13, 2020.

IV. 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.

V. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting and e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 (forty eight) hours 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.

VI. The Results shall be declared by the Chairman or the person authorised by him in writing not later than 48 (forty eight) hours 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. Members may also note that the Notice of the 47th AGM and the Annual Report FY20 will be available on website of the Company and NSDL.

Any person, who acquires shares of the Company and becomes Member of the Company after sending of the notice and holding shares as on the cut-off date i.e. August 13, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company. However if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and Password for casting the vote.

In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Pallavi Mhatre, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in, Toll free no.: 1800-222-990. Members may also write to the Company Secretary at the email ID: investors@apollotyres.com.

15. Those Members who have so far not encashed their dividend warrants for the financial year from FY13-FY19, may claim or approach the Company 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 FY13 is September 7, 2020.

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

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

17. As per the provisions of Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI of the Regulations, the unclaimed/undelivered shares lying in possession of the Company had been dematerialised and transferred into an "Unclaimed Suspense Account". Members who have not yet claimed their shares are requested to immediately approach the

Company by forwarding a request letter duly signed by all the Members furnishing the necessary details to enable the Company to take necessary action.

18. 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.

19. 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.

20. Information under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, in respect of the Directors seeking appointment at the AGM, forms integral part of the notice. The concerned Directors have furnished the requisite declarations for their appointment and their brief profile forms part of the explanatory statement.

21. 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.

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

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

Item No. 4

The Board at its meeting held on May 19, 2020, on the recommendation of the Audit Committee, had re-appointed M/s. N.P. Gopalakrishnan & Co., Cost Accountants for carrying out Cost Audit 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 the financial year 2020-21 on a remuneration of ₹ 3.30 lakhs per annum plus reimbursement of out of pocket expenses.

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

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

The Board of Directors recommends resolution set out at item no.4 for your consideration and ratification.

Item No. 5

General Bikram Singh (Retd.) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as an Independent Director of the Company up to August 10, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of

Independent Director, has recommended re-appointment of General Bikram Singh (Retd.) for a second term of 3 (three) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Director and based on the recommendation of Nomination and Remuneration Committee, considered that his continued association would be beneficial to the Company and it is desirable to continue to avail services of General Bikram Singh (Retd.) as an Independent Director. Accordingly, it is proposed to re-appoint General Bikram Singh (Retd.) as an Independent Director for a second term of 3 (three) consecutive years on the Board of the Company w.e.f. August 11, 2020 to August 10, 2023. The Company has also received a notice in writing, from a Member under Section 160 of the Act, proposing his candidature for the appointment as Director of the Company.

General Bikram Singh (Retd.), aged about 68 years, is the former Chief of the Indian Army & Chairman Chiefs of Staff, who superannuated on July 31, 2014. For his distinguished and meritorious services, the President of India awarded him with the Param Vishishta Seva Medal, Uttam Yudh Seva Medal, Ati Vishisht Seva Medal, Sena Medal and Vishisht Seva Medal.

He is a graduate of the US Army War College, Pennsylvania, USA, where he was also inducted into the War College 'Hall of Fame' in 2013. As the Chief of Indian Army, he was awarded with the 'Legion of Merit' by the President of United States for exceptionally meritorious conduct in performance of outstanding services. In addition to two Master's Degrees from India (Madras University and Devi Ahilya, Indore), he also has Masters in Strategic Studies from the US Army War College, Carlisle, Pennsylvania. He has lectured on various facets of Geopolitics and Strategic Affairs, Leadership, Management, Strategy, Peacekeeping & Disaster Management to both the domestic & international audiences.

He has served in three United Nations Missions in ONUCA in Nicaragua, ONUSAL in El Salvador and MONUC in DR Congo. In his last assignment in MONUC, he was the Divisional Commander of a multinational Division comprising over 12,500 personnel from 48 nationalities. An avid golfer, the General has been the President of Indian Golf Union from 2012 to 2013 and the President of Indian Polo Association from June 2012 to 31 July 2014.

General Bikram Singh (Retd.) was first appointed on the Board of the Company on August 11, 2015.

He does not hold Directorship/ Committee membership in any other Company.

He is the Member of CSR Committee of the Company.

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

He has attended five meetings of the Board during FY20.

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

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

(a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment upto five years, subject to passing of special resolution by the Shareholders in General Meeting; and

(b) An Independent Director shall not be liable to retire by rotation at the Annual General Meeting.

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

In terms of Section 149 and other applicable provisions of Companies Act, 2013, General Bikram Singh (Retd.), being eligible and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for 3 (three) consecutive years w.e.f. August 11, 2020 to August 10, 2023.

The Company has received from General Bikram Singh (Retd.):

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

(ii) A declaration to the effect that he meets the criteria of independence as provided under Sub Section (6) of Section 149 of the Companies Act, 2013.

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

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

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

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

None of the Directors or KMP of the Company or their relatives except General Bikram Singh (Retd.) himself is concerned or interested (financial or otherwise) in the resolution.

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

Item No. 6

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Francesco Crispino, was appointed by the Board, as an Additional Director (Independent) of the Company, w.e.f. July 3, 2020, to hold office upto the date of the ensuing Annual General Meeting. A notice under Section 160 of the Companies Act, 2013, has been received from a Member proposing the candidature of Mr. Francesco Crispino as a Director of the Company and the Nomination and Remuneration Committee has recommended his appointment as an Independent Director on the Board of the Company for a period 5 years w.e.f. July 3, 2020 to July 2, 2025.

Mr. Francesco Crispino aged about 54 years, has an experience of over 29 years as an Investment Banker and Corporate Lawyer and possesses a degree of Law from University of Oxford and University of Chicago and politics and history at the University of Toronto. He has been the past Chairman of Asian Advisory Council, University College, University of Oxford and a co- founder of Greater Pacific Capital and Executive VP & Chief Strategy Officer of Bell Canada Enterprises Inc.

Some of his key skills include managing complex transactions restructuring including cross-border, business founder and investor and team builder with an established investment track record over various industry cycles.

In his past assignments, he has been associated with Goldman Sachs (London), Sullivan & Cromwell (London) and Coudert Freres (New York). Presently, he is a Board Member of Stallergenes Greer Ltd., the Global Healthcare Company.

Mr. Francesco Crispino does not hold Directorship/Committee membership in any other Indian Company.

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

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

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

(a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment upto five years, subject to passing of special resolution by the Shareholders in General Meeting; and

(b) An Independent Director shall not be liable to retire by rotation at the Annual General Meeting.

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

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Francesco Crispino, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a period of 5 years w.e.f. July 3, 2020 up to July 2, 2025.

The Company has received from Mr. Francesco Crispino:

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

(ii) A declaration to the effect that he meets the criteria of independence as provided under Sub Section (6) of Section 149 of the Companies Act, 2013.

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

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

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

The Board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail services of Mr. Francesco Crispino as an Independent Director.

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

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

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

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

Item No. 3

Mr Sunam Sarkar, aged about 54 years holds a Bachelor of Commerce (Honours) degree from St. Xavier's College, Calcutta University, a Diploma in International Management from INSEAD, France, and a Masters in Management from Lancaster University, UK and has over 32 years of experience in the field of sales, marketing, business operations and corporate strategy. He began his career as a management trainee at General Electric Limited. Subsequently, he joined Modi Xerox where he was one of the youngest executives to head a business unit as General Manager. His acumen in the area of alliances, business development and corporate communications has enabled our organisation to evolve into a market leader in tyre industry. Mr. Sunam Sarkar is currently a Non-Executive Non-Independent Director of the Company. He joined the Board of Directors of the Company in the year 2004.

Mr.Sunam Sarkar holds Directorship in the following Companies:-

Sl. No	Name of the Company	Designation
1	Apollo Vredestein B.V. (Management Board)	Director
2	Apollo Tyres Holdings (Singapore) Pte. Ltd.	Director
3	ATL Singapore Pte. Ltd.	Director

He is the Chairman of Stakeholders Relationship Committee and Risk Management Committee and Member of CSR Committee and Business Responsibility Committee of the Company.

He does not hold any Membership/ Chairmanship in Committees of other Companies.

He is not holding any shares in the Company.

He has attended five Board Meetings during FY20.

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

The sitting fees for attending the Board Meetings and the commission as approved by the Members within the overall ceiling of 1% of the net profits of the Company, is paid to the Directors of the Company other than Managing Directors in proportion to their tenure of Directorship. Mr. Sunam Sarkar was entitled to a remuneration of ₹4.12 million as commission, as approved by the Board, for FY20.

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

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

Item No. 5 & 6

For the details of General Bikram Singh (Retd.) and Mr. Francesco Crispino, please refer to item no. 5 & 6 under the Explanatory Statement of this Notice.

By Order of the Board
For Apollo Tyres Ltd

SEEMA THAPAR
Company Secretary
FCS No.: 6690

Place: New Delhi
Date : July 4, 2020

Regd. Office: Apollo Tyres Ltd, 3rd Floor, Areekal Mansion, Near Manorama Junction,
Panampilly Nagar, Kochi - 682036, India.
CIN: L25111KL1972PLC002449 Tel: +91 484 4012046
Fax No.: +91 484 4012048 Email: investors@apollotyres.com
Website: apollotyres.com

Annual Report 2019-20

apollo TYRES

IN THE BUSINESS OF PROGRESS

CONTENTS

Apollo Tyres in brief

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

Catering to all tyre segments

TRUCK AND BUS

LIGHT TRUCK

PASSENGER VEHICLES

TWO-WHEELER

OFF-HIGHWAY

IN THE BUSINESS OF PROGRESS

Apollo Tyres' success as a leading tyre manufacturer is inextricably linked with the progress of the people, the businesses we partner and the planet at large. We have always persevered to exceed expectations, set new benchmarks and in some cases, shape the future of the industry.

Our marquee brands, Apollo and Vredestein, enjoy premium positions in the commercial and passenger vehicle tyre segments in India and Europe, respectively. We are leveraging our brand equity, rich consumer insights, extensive distribution network and R&D prowess to accelerate our market expansion and grow our footprint in existing and new geographies. We are also extending enduring bonds of trust with global Original Equipment Manufacturers (OEMs) and are seeing early success in this regard. That said, we are not made complacent by our leadership.

We continue to evolve our strategies and respond to a dynamic external environment through constant innovation across our product range and a sharpened focus on cost discipline. Even as you read this, our operating context is undergoing substantial change owing to a wide range of factors, such as: geo-political relations, economic growth, industry cyclicality, environmental issues, technological innovation, safety and consumer attitudes. Our FY20 performance is a reflection of the resulting uncertainties. It is also a testament to our foundational values and intrinsic strengths that have helped us navigate through these uncertainties.

As we step into a new decade, replete with unexplored opportunities, we are keen on furthering our legacy and our leadership on the global stage. Strong governance oversight, along with the experience of a culturally diverse Management Team, will play a central role in ensuring we achieve our strategic objectives.

The Annual Report 2019-20 is an article of faith, confident as we are in our ability to contribute to the world responsibly and sustainably. It is a promise to our stakeholders that we will stay at the cutting-edge of innovation and drive growth and prosperity for all; and that we will stay in the business of progress.

At a glance

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

VISION

To be a premier tyre company with a diversified and multinational presence

VALUES

It's about our instincts. It's about the way we think. It's the way we interact with the world. It's our common culture. It's a system of values that, like our six senses, defines who we are and how we work.

Customer First
We believe that our customers and those whom they serve are central to everything we do.

Business Ethics
We act with integrity.

Care for Society
We actively participate in our local communities to address health, safety, environment and community needs.

Empowerment
We take ownership for our actions and responsibility for results.

Communicate Openly
We are open and transparent in our communication across geographies and levels.

One Family
We celebrate our oneness through building trusting relations, respect for diversity and passion towards common goals.

A truly global business

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

7
Manufacturing locations across India and Europe

2
Global R&D centres

100+
Countries served

A strong portfolio of reliable brands

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

apollo go the distance

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

VREDESTEIN

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

A calibrated financial strategy

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

₹160.96 Bn
Gross Sales

₹28.36 Bn
Capital Expenditure Outflow

₹4.76 Bn
Net Profit

₹19.62 Bn
EBITDA

An endeavour for good

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

5,81,585
CSR Beneficiaries

₹183.7 Mn
CSR Spend

7,31,569 m^3
Water Recycled/Reused

70,804 GJ
Energy Saved

A people company

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

~17,200
Employees

Great Place To Work. Certified NOV 2019-NOV 2020 USA

Great Place to Work-certified

Leadership and governance

Apollo Tyres' growth aspirations are driven by a strong and cohesive corporate governance structure comprising the Board of Directors, the Board Committees and the Management Team. Together, our leadership helps define and implement our strategy in line with our stakeholder commitments, while adhering to the strictest principles of compliance and ethics. This structure helps us manage risks and identify opportunities to drive sustainable value creation.

'Adversity is said to be the mother of progress.'

Dear Shareholders,

We are in the midst of very uncertain times due to the spread of COVID-19 in India and across the world. I hope that each one of you and your family members are safe and continue to adhere to the various guidelines and take all necessary precautions.

It has been my life's mission to find opportunities in the face of challenges and in the process, deliver value to all our stakeholders, including employees, shareholders, customers, partners and other relevant communities. The senior leadership and I have tried to instil the same belief in our colleagues at the Company, to make it a part of our values and ways of working.

Fuelled by our long-term vision of becoming a global leader in the industry and guided by our values, the Apollo Way, we have successfully adapted to the changing market realities in the past, just as we continue to drive leadership even in the current 'new normal'. Yet at the core, we continue to pursue our profitable growth strategy, focusing on a three-pronged approach: consolidate market position in existing markets while seeking new markets/new segments; continue investment in both our brands, Apollo and Vredestein, as well as in capacity expansion to feed our markets; and explore other growth opportunities.

FY20 was a tough year by all measures. While the auto industry had been on a slow growth path even in FY19, the last year proved to be a complete dampener for the industry due to poor consumer sentiment, increased cost of ownership on account of higher insurance cost, and higher financing cost owing to the liquidity crisis in the Non-Banking Financial Company (NBFC) sector. We were still bullish about the economy bouncing back and did see signs of a recovery in the third quarter, but the fourth quarter witnessed headwinds in the form of the COVID-19 outbreak and the subsequent nation-wide lockdown. India saw its economic growth hitting an 11-year low of 4.2% for FY20, even as the auto industry sales fell 18%, adversely impacting the entire tyre industry, which, in turn, declined by 8%, in terms of total tyres manufactured.

As you leaf through the pages of the year's Annual Report, you will read about the actions we took during the year and the initiatives we will take to adapt to the new normal. I would like to talk about our value, 'Care for Society', which is close to my heart even as our outreach to our communities continued unabated through the year. FY20 saw a unique corporate partnership between Apollo Tyres and Ashok Leyland, to provide healthcare facilities to the trucking community in Namakkal, a prominent transhipment hub in Tamil Nadu, India.

During the COVID-19 crisis, we continued to support our communities and stakeholders across multiple states of India. One of the initiatives we undertook to mitigate the distress of the wider society, was creating awareness through hoardings and pamphlets in multiple languages, reaching over a million. Our team provided cooked food and 15-day ration support of essential supplies, including ration and hygiene kits, for families.

It is heartening to inform that despite the crisis, we have been able to organise the virtual inauguration of our seventh manufacturing plant in Andhra Pradesh, India in June 2020. This was closely followed by the opening of our facility to manufacture high-end bias and steel radial tyres for the two-wheeler segment in Limda, Gujarat, India in July 2020.

Looking ahead, it is reasonable to assume that the uncertainty will continue. I personally do not see an early end of this 'new normal'. Yet, the show must go on and we are already adapting and finding opportunities for growth. Our immediate priority is the safety and well-being of our employees, even as we continue to make the 'new normal' our normal. It is heartening to inform that despite the crisis, we have been able to organise the virtual inauguration of our seventh manufacturing plant in Andhra Pradesh, India in June 2020. This was closely followed by the opening of our facility to manufacture high-end bias and steel radial tyres for the two-wheeler segment in Limda, Gujarat, India in July 2020.

I would like to take this opportunity to thank all banks and other financial institutions, the Government of India and the respective state governments, the Government of The Netherlands and the Government of Hungary, along with our network and business partners for their unstinted support and actively contributing to our success. Equally, I am humbled by your continued support and grateful for standing with us in times of prosperity and adversities. We, at Apollo Tyres remain ever committed and sincere in our efforts to keep delivering better value to you. I look forward to having many more exciting updates for you in the current financial year.

Wishing you all the best

Onkar S Kanwar
Chairman and Managing Director

Measuring progress in a changing world

Dear Shareholders,

A virus has taken us all hostage and changed the way we live our lives and do our work. I hope that you and your loved ones are safe and healthy and are heeding the advisories of the respective government.

It has always been our aim to deliver top financial performance and sustain the long-term profitability of the Company, while building on transparency and high levels of corporate governance. In line with this philosophy, we were delighted to have Warburg Pincus, a leading global private equity firm, on board with Apollo Tyres through an ~US$150 million investment in the Company. Warburg's investment is a strong vote of confidence in our business, Management Team and growth prospects.
I believe that this partnership will further strengthen governance at Apollo Tyres.

While the year at large was a slow one for the auto and the tyre industry, at Apollo Tyres, life was at full steam as we continued to race ahead to achieve our long term vision – 'To be a premier tyre company with a diversified and multinational presence'. We continued to do what we do best – launch new products for a better product mix, seed new markets, expand distribution network and focus on cost and process efficiencies.

The year saw us further sharpening our focus on the SUV segment in India to take us to pole position. We launched the all-terrain SUV tyres, Apollo Apterra AT2, for the off-road enthusiasts. The tyre complemented our existing Apterra range that includes specialised highway luxury, highway terrain, high performance and the all-terrain tyres, widening our offerings in the segment. Looking at the growing demand for pick-up trucks in India, we introduced the EnduMaxx brand of tyres. Our confidence in the success of the product stems from the fact that the tyres were designed and developed at our Global R&D Centre in Chennai, India, to suit the application and terrain requirements and tested extensively for more than a year before being introduced.

The year also saw us entering the Kingdom of Saudi Arabia with a careful long-term market entry strategy. After extensively studying the market for the past few years, we have developed products suited to the Saudi market, which is the largest replacement tyre market in the Middle East. In addition, we expanded our product portfolio across various ranges in India, Europe, Nepal, Sri Lanka and the ASEAN region.

In Europe, we continued to add to our OEM portfolio, as we became the preferred choice for the iconic Volkswagen Golf with our Sportrac 5, Wintrac Pro and the Snowtrac 5 tyres. The definitive recognition of quality continued from Volkswagen and top car manufacturers such as Ford and Seat during the year. Another feather in the cap for our European operations was the recognition given by leading auto magazine Auto Bild – the All-Season Manufacturer of the Year – a testimony to our expertise in crafting high technology all-season premium tyres. Our tyres continue to be recognised as top performers across

We continued to race ahead to achieve our long term vision – 'To be a premier tyre company with a diversified and multinational presence'. We continued to do what we do best – launch new products for a better product mix, seed new markets, expand distribution network and focus on cost and process efficiencies.

Europe and North America. Given the recent focus on the North American market, it was indeed heartening to see Tire Rack Inc ranking our Vredestein Quatrac Pro as the top grand touring all-season tyre, even as Consumer Reports picked the Vredestein Wintrac Pro as the top performance winter tyre.

Apollo Tyres has been focusing on brand building as one of its key pillars to race ahead of competition. During the year, we did a 360-degree release of the highly loved and watched 'Ganga' TV commercial with cricket legend Sachin Tendulkar and the celebrated Indian music director, composer, musician and singer, A. R. Rahman. We also launched the 'United We Play' programme to encourage young football talent across India.

Looking ahead at FY21, we are aware that the COVID-19 pandemic and the lockdown will have serious implications on the business. It has been a difficult few months for us – having to temporarily close our plants and making tough decisions on cost-cutting across the board. However, it is in the Apollo Tyres DNA to look at challenges as opportunities and we have already launched multiple initiatives under the DRIVE leadership theme – to re-engineer Apollo Tyres. We are learning from the pandemic experience and will make this our new normal as we energise the entire company to achieve higher productivity.

I see the relentless pace persist for each one at Apollo Tyres in FY21. I will continue to update you on a periodic basis on the various initiatives and our learnings.

With best regards,

Neeraj Kanwar
Vice-Chairman and Managing Director

1. **Onkar S Kanwar**
   Chairman & Managing Director

2. **Neeraj Kanwar**
   Vice-Chairman & Managing Director

3. **Akshay Chudasama**
   Regional Managing Partner,
   Shardul Amarchand Mangaldas & Co

4. **Vikram S Mehta**
   Former Chairman,
   Shell Group of Companies

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

6. **Robert Steinmetz**
   Former Chief of International
   Business, Continental AG

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

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

9. **Francesco Gori**
   Former CEO, Pirelli Tyre

10. **Vinod Rai**
   Ex-Comptroller and
   Auditor General of India

11. **Anjali Bansal**
   Former Global Partner and MD,
   TPG Private Equity

12. **Satish Sharma**
   President (APMEA) and
   Whole-time Director

13. **Francesco Crispino**
   Additional Director
   (Independent)

Onkar S Kanwar
Chairman & Managing Director

Neeraj Kanwar
Vice-Chairman & Managing Director

Daniele Lorenzetti
Research & Technology

K Prabhakar
Projects

Gaurav Kumar
Finance & Legal

Benoit Rivallant
European Operations

Yoichi Sato
Quality, Health, Safety & Environment

Satish Sharma
Asia Pacific, Middle East & Africa Operations

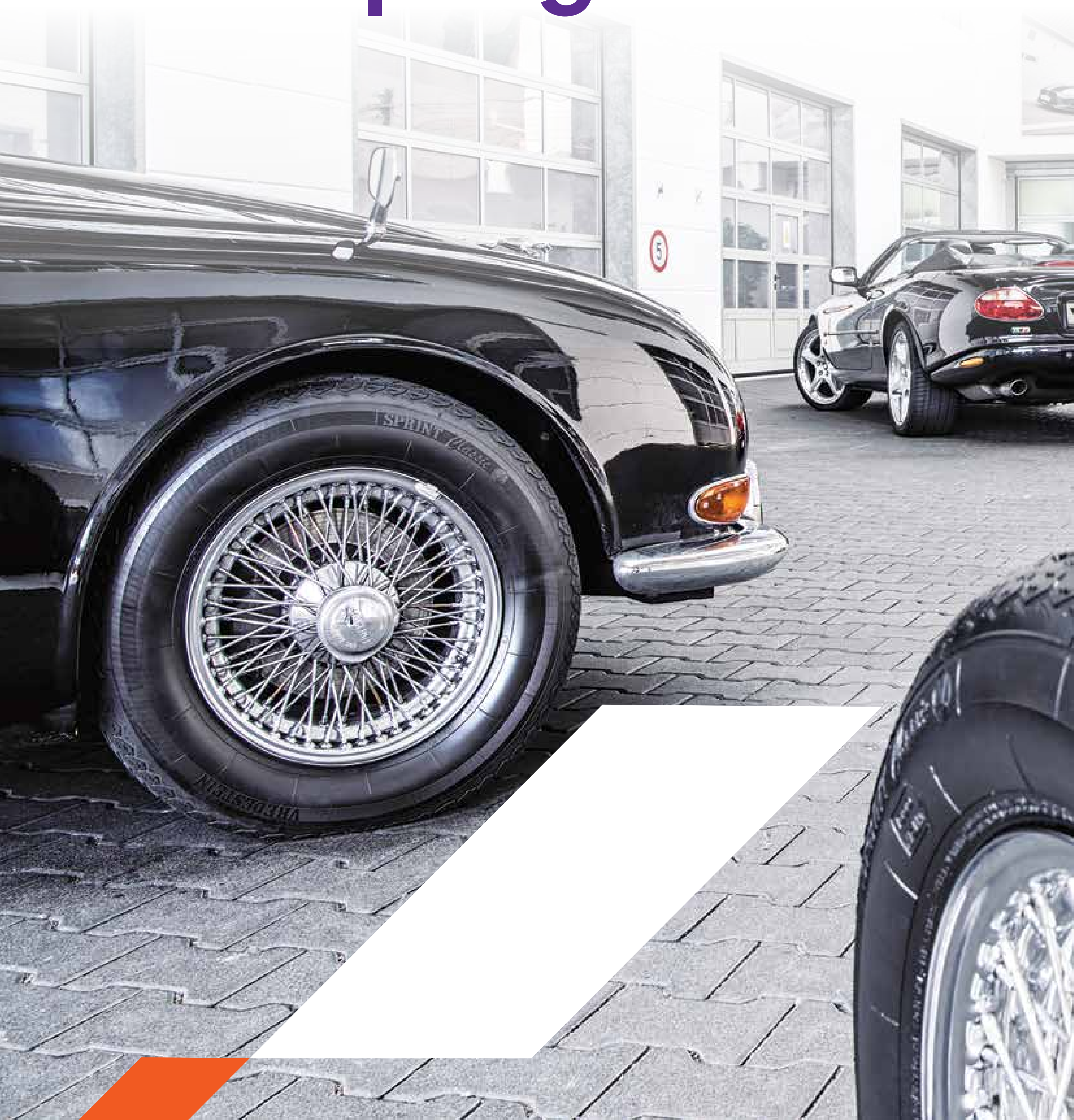
Pedro Matos
Global Programme Management & European OE Business

P. K. Mohamed
(Advisor) Technology

Sunam Sarkar
CSR, Human Resources, IT, Procurement & Supply Chain

Markus Korsten
Advanced Manufacturing & European Manufacturing Operations

Performance and progress



The prism through which we measure value, as a corporate enterprise, is wide and multi-dimensional. We understand the interconnectedness of value and know that fulfilling our vision implies harmonising the individual and collective interest of various stakeholders. We strive to integrate our broader impact into the way we run and govern our business.

Maintaining stable momentum

GROSS SALES	₹BN
FY20	**160.96**
FY19	172.73
F 18	149.29
FY17	140.53
FY16	127.43

NET PROFIT	₹BN
FY20	**4.76**
FY19	6.80
FY18	7.24
FY17	10.99
FY16	11.23

CAPITAL EXPENDITURE OUTFLOW	₹BN
FY20	**28.36**
FY19	22.93
FY18	31.02
FY17	33.19
FY16	16.21

EBITDA	₹BN
FY20	**19.62**
FY19	20.82
FY18	17.68
FY17	20.01
FY16	20.65

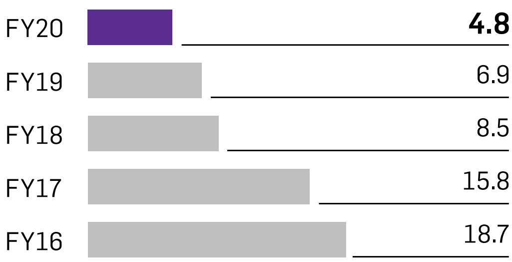
EBIT	₹BN
FY20	**8.24**
FY19	12.69
FY18	11.75
FY17	15.39
FY16	16.39

NET DEBT/ EQUITY	RATIO
FY20	**0.59**
FY19	0.45
FY18	0.28
FY17	0.37
FY16	0.06

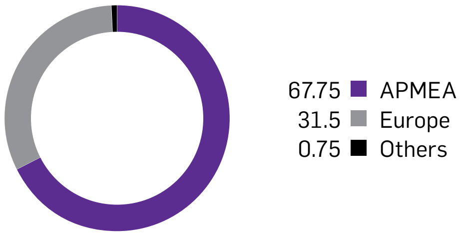
NET DEBT/ EBITDA	RATIO
FY20	**3.00**
FY19	2.16
FY18	1.53
FY17	1.35
FY16	0.18

NET DEBT/ EBIT	RATIO
FY20	**7.13**
FY19	3.55
FY18	2.30
FY17	1.76
FY16	0.23

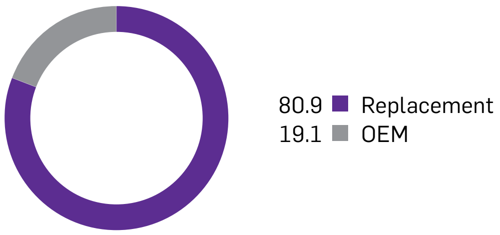
RETURN ON EQUITY (%)



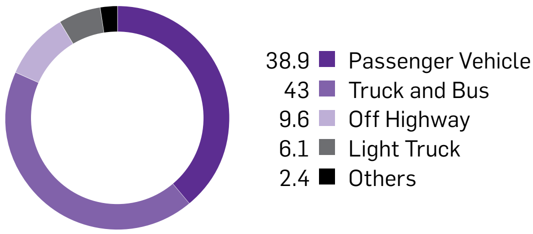
REVENUE SEGMENTATION BY GEOGRAPHY (%)



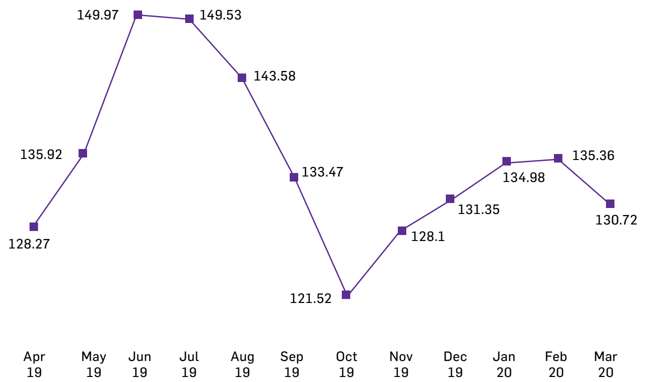
REVENUE SEGMENTATION BY CUSTOMERS (%)



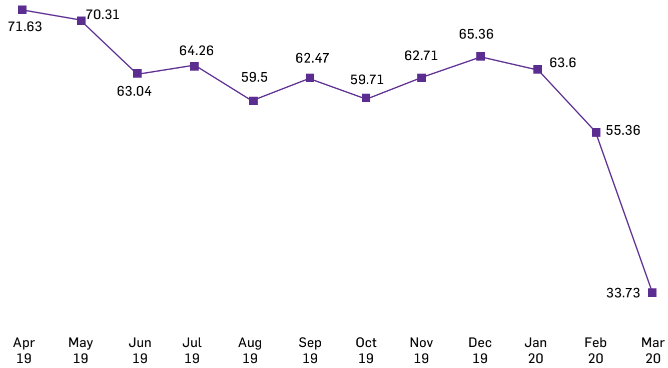
REVENUE SEGMENTATION BY PRODUCTS (%)



NATURAL RUBBER PRICE MOVEMENT (₹/KG)



CRUDE OIL PRICE MOVEMENT (BRENT CRUDE) ($/BARREL)



Six capitals of value creation

Apollo Tyres vision is to be a premier tyre company with a diversified and multinational presence. In order to achieve this vision, we constantly enhance our business model to create value through the capitals that we employ in the most efficient way. They represent our most formidable strengths in times of adversity.

NATURAL CAPITAL

Includes resources such as natural rubber, along with water, energy and biodiversity, which are utilised or impacted by our operations.

Approach
- Optimise the use of natural resources in a sustainable manner
- Promote conscious waste management techniques
- Conserve biodiversity

Key inputs
- Policies
- Natural rubber
- Crude oil linked raw materials
- Energy
- Water

Key capital audience
- Environment
- Employees
- Investors
- Regulators
- Customers

Read more on Page 22

HUMAN CAPITAL

Includes the skills, capabilities, experience, diversity and level of motivation of the on-roll and contractual employees that are key to the organisation's success.

Approach
- Attract, develop, stimulate and retain the right minds

Key inputs
- Policies
- Workforce
- Learning and development
- Performance review
- Safety initiatives

Key capital audience
- Employees

Read more on Page 24

SOCIAL AND RELATIONSHIP CAPITAL

Refers to the trust we have cultivated with the communities around our facilities and our operations as well as those we engage with through our CSR initiatives.

Approach
- Create and deliver value for all stakeholders

Key inputs
- Policies
- Supply chain initiatives
- Community and customer engagement forums

Key capital audience
- Community
- Value chain
- Industry peers
- Influencers

Read more on Page 26

MATERIALITY ASSESSMENT

Apollo Tyres conducted a materiality assessment in FY18 as per the Integrated Reporting <IR> Framework. The Company has conducted materiality through a third-party study and identified the material issues by mapping stakeholder concerns and the business priorities.

The process of materiality assessment included establishing process parameters and identification of relevant non-financial topics; evaluating the importance of relevant matters based on magnitude of effect and likelihood of occurrence; survey among key stakeholder groups representing investors, customers, senior management, employees, suppliers, Non-Governmental Organisations (NGOs), institutions, associations and sustainability professionals.

INTELLECTUAL CAPITAL

Covers the knowledge base of the organisation, and includes the systems, processes, patents, trademarks, copyrights and new value-added products developed through R&D, improvement initiatives and collaboration with institutions.

Approach
- Explore and develop new efficient product solutions with low impact on environment

Key inputs
- Policies
- Skilled workforce
- Investments
- Research partnerships

Key capital audience
- Investors
- Customers

Read more on Page 30

MANUFACTURED CAPITAL

Pertains to the facilities for tyre production and processing, including the buildings and equipment at the plants, along with supporting infrastructure for logistics, warehousing and sales.

Approach
- Expand and utilise facilities optimally, both in function and location
- Provide and invest in safe establishments

Key inputs
- Policies
- Investments

Key capital audience
- Investors
- Employees
- Customers

Read more on Page 32

FINANCIAL CAPITAL

Refers to the shareholder funds and prudent borrowings, which are the lifeblood of our ability to create value.

Approach
- Deliver a sustainable return to shareholders

Key inputs
- Policies
- Investments

Key capital audience
- Investors
- Shareholders
- Regulators

Read more on Page 34

Apollo Tyres' value creation paradigm

NATURAL CAPITAL

HUMAN CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL

INTELLECTUAL CAPITAL

MANUFACTURED CAPITAL

FINANCIAL CAPITAL

Our driving forces

VISION

To be a premier tyre company with a diversified and multinational presence.

VALUES

- Customer First
- Business Ethics
- Care for Society
- Empowerment
- Communicate Openly
- One Family

STRATEGY

- Consolidate market position in existing markets and seek new markets/segments
- Continue investment in core brands and capacity expansion via greenfield facilities
- Seek growth opportunities

PERFORMANCE

Read more on Page 16.

GOVERNANCE

Read more on Page 10.

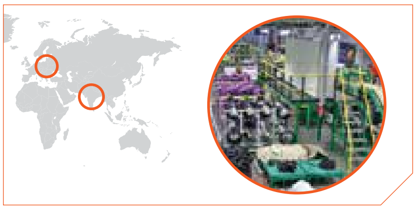
OUTLOOK 2020

Read more on Page 87.

Our business decisions are continually impacted by the evolving external environment

- Low-cost Chinese truck tyres' imports
- Raw material price volatility and availability
- Economic slowdown in Indian and European markets
- Global competition
- Climate change
- Radial technology

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



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

Manufacturing
in plants in Asia and Europe

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

Ultimately resulting in holistic value creation

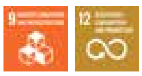
- Climate conscious operations
- Efficient product design
- Optimised energy consumption
- Water stewardship
- Conservation of biodiversity

- Focused group discussions with employees
- Safety-centric operations
- Knowledge environments

- Social investment projects
- Consistent and effective engagement with suppliers and dealers
- Customer-first mindset

- New product development
- New transportation solutions
- Continuous training and upskilling

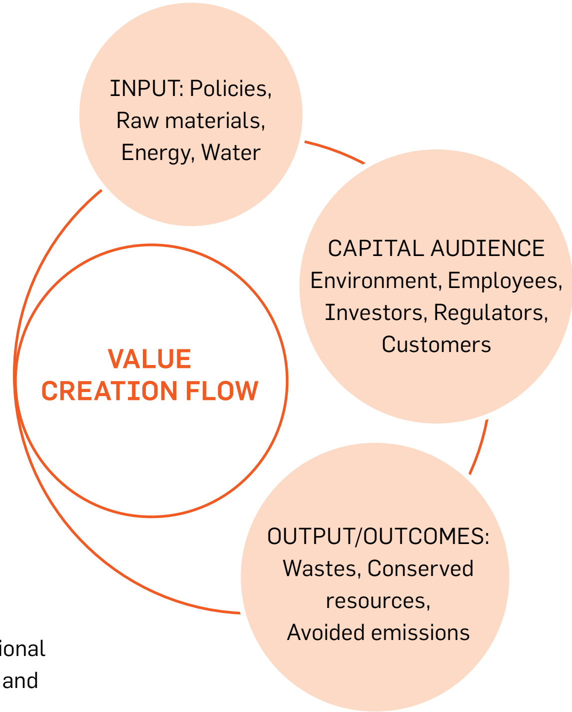
- Planned asset maintenance
- World-class construction and project safety



- Optimal capital allocation
- Returns on invested capital

Contribution to SDGs

NATURAL CAPITAL



The Company considers the environment as a key stakeholder and is proactive in developing the stock of Natural Capital. The focus lies in prudent Natural Capital utilisation and replenishment, whereby concerted efforts have been made to monitor the footprint. It invests in state-of-the-art operations, backed by robust R&D to ensure net positive Natural Capital.

KEY CAPITAL INPUTS[1]

Enabling policies

Forward-looking policy on environment-conscious operations provides directional inputs on choice of raw material, building an efficient manufacturing process and superior product designing.

Raw materials

Main raw materials used are natural and synthetic rubber types together with carbon black and other raw materials.

- Natural rubber: **1,85,843** MT
- Synthetic rubber: **65,088** MT
- Carbon black: **1,26,664** MT
- Other raw materials: **4,54,969** MT

Energy

A mix of renewable and non-renewable fuel types from direct and indirect sources to meet energy requirements.

- Energy footprint: **5,382** TJ
  - Direct energy: **3,633** TJ
  - Indirect energy: **1,749** TJ

Water

Primary source of water at the operations is surface water.

- Water consumption: **6.02** million m^3

KEY CAPITAL OUTPUTS AND OUTCOMES

GHG emissions

- Scope 1: **3,27,747** CO_2eq
- Scope 2: **3,57,586** CO_2eq
- Scope 3: **77,707** CO_2eq
- Total GHG sequestered: **17,500** tCO_2e

Energy

- Total energy saved: **70,804** GJ

Water

- Total recycled/reused water **12.1** % of total annual water withdrawal
- **0.5**% reduction in PCR segment [per kg of product (litre/kg)]

Solid waste

- Hazardous: **3.2**%
- Non-hazardous **96.7**%

Steam

- **3.1**% reduction in PCR segment [per kg of product (kg/kg)]

Tyre weight

- **5**% progressive reduction in PCR segment

Recycled raw material

- Total recycled material used: **6,341** MT

  Recycled material usage expanded to many components beyond inner liner to reduce virgin material consumption by **7**%

Electricity

- **3.2**% reduction in PCR segment [per kg of product (kWh/kg)]

Rolling resistance

- Reduced from **8.0** kg/T to **7.0** kg/T for PCR tyre

1 Detailed information is available in the Environment section on **Page 66**

MANAGING THE OUTCOMES

CLIMATE CONSCIOUS OPERATIONS

Various investments are made in energy-saving initiatives and in renewable energy to promote a climate conscious manufacturing set up and measure the carbon footprint.

PRODUCT DESIGN

There are significant investments in R&D to find innovative solutions related to manufacturing processes, products and by-products.

ENERGY EFFICIENCY

There is use of energy-efficient equipment, process designs and retrofitting of equipment to achieve energy efficiency through concerted efforts.

BEYOND THE FENCE

The Company partners with like-minded institutions and corporates to promote water stewardship, waste management and conservation of biodiversity through various initiatives. An ideal example are the End-of-Life Tyres (ELT) play spaces as a solution to avoid them being disposed in the landfill.

IMPACT STORY

The afforestation project, started in 2013 in Tamil Nadu, has been a cornerstone in community-based climate mitigation strategy for the Company, in addition to the associated benefits of soil productivity enhancement that the project has provided. The initiative has connected over 300 farmers, across an area of over 900 acres, and helped them convert their parched land on an agro-forestry model. The standing stock of 3,50,000 teak trees has added to soil nutrient levels, the groundwater table and reversed some adverse climate impacts. The capacity building on crop rotation and other farming techniques have been an enabler for this farming group to reap additional benefits.

Interlinkage of Natural Capital with other capitals

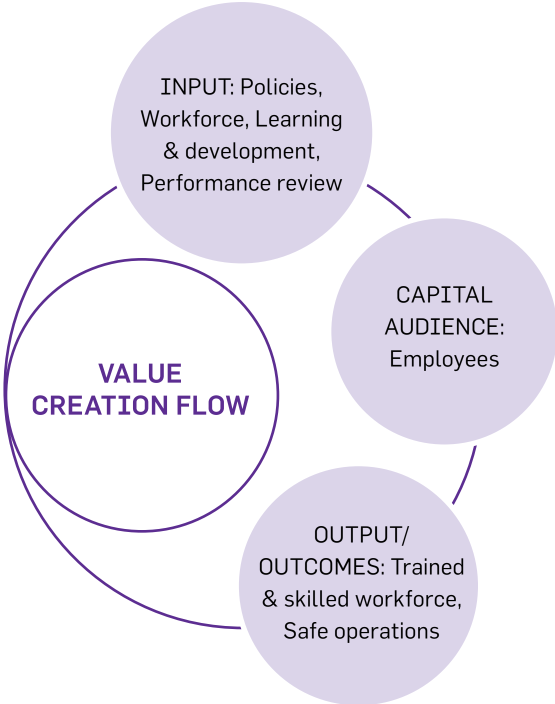
The conservation and efficiency initiatives highlight efforts to conserve Natural Capital. This, in turn, also helps in improving the Financial Capital stock. The Company's commitment to invest in R&D indicates accumulation of Manufactured Capital and Intellectual Capital stocks, which, in turn, positively supports the Natural Capital stock. The Company invests in community development projects on environmental conservation, thereby increasing Social and Relationship Capital.

AFFORESTATION PROJECT TIMELINE

Beneficiary base	Capacity building	Climate and soil impacts
323 farmers across **191** villages benefit directly	Training on **tree care**, intercropping/conservation farming, **water management**, **soil improvement**, and more	Over **17,500 tCO_2e** carbon **sequestered**; intercropping of legumes, other seasonal produce for **enhanced** soil **productivity** and **income**

HUMAN CAPITAL

With a highly motivated and passionate workforce, the Human Capital of the Company resonates with its core values, enshrined in the Apollo Way. The diverse and multi-cultural employee base makes the Human Capital stock much more rooted and aware, creating a truly global workforce in the process.



KEY CAPITAL INPUTS[1]

Enabling policies
Deployment of forward-looking policy on employee welfare and learning and development to build a knowledge base in order to achieve the vision of the Company.

Motivated workforce
A safe, healthy, engaged and productive workforce of 17,933 (as of March 31, 2020) permanent and contractual employees worldwide with relevant skills, knowledge and experience.

Learning and development
The programmes are designed and linked to achieve business goals and to be future ready. The Company invests in a variety of programmes to hone technical, product and process knowledge, leadership and soft skills of the people through classroom, on-the-job and online training. The Company has multiple initiatives in this area, including First Line Managers, Digirace, Admire, Step Up, Winning with Customers and Apollo One.

Performance review and recognition
The Company utilises a robust platform for employee performance review in a transparent manner. At a global level, Apollo Tyres runs several recognition programmes aimed at rewarding employees, such as Apollo Pillars initiative.

Safety initiatives
Safety efforts are taken at a functional level across the Company and the journey has been extended to non-manufacturing areas, such as sales, service, commercial, marketing, supply chain, R&D and projects.

1 Detailed information is available in the People section on **Page 48**

KEY CAPITAL OUTPUTS AND OUTCOMES

Apollo Talent Track
A platform to recognise and nurture high-calibre campus recruits

Learning and development

- Introduction of a global programme for First Line Managers, with an aim to develop people managerial skills
- Over 14,000 employees were trained in the FY20 through various training programmes such as First Line Manager, Functional Trainings, and Behavioral trainings

Safe operations

- Lost Time Injury Frequency Rate (LTIFR) reduced by 42% from the previous year
- All warehouses were reviewed, and safety controls established

MANAGING THE OUTCOMES

PEOPLE COUNCIL

The Council was set up in 2019 to conduct global focused group discussions to get insights from employees and improvise processes based on feedback.

SAFETY-CENTRIC OPERATIONS

KPIs are reviewed and monitored periodically by Presidents at the regional level. Leading and lagging indicators are defined at a functional level and monitored periodically through Safety Council meetings. Many interventions and programmes are driven to proactively address safety risks.

KNOWLEDGE ENVIRONMENT

The Company focuses on attracting global talent that can be fostered in keeping with its core values, and which will bring in diverse perspectives. Talent development is one of the key foundation stones of the Company's Human Capital deployment. Capability building has been the focus area, which acts as an enabler to learn and grow.

Digital campaign to improve **employee risk** perception through awareness and communication via mobile application chatbot

Target audience includes **employee, contractors and business partners** across the globe

5-month-long campaign on **personal safety**

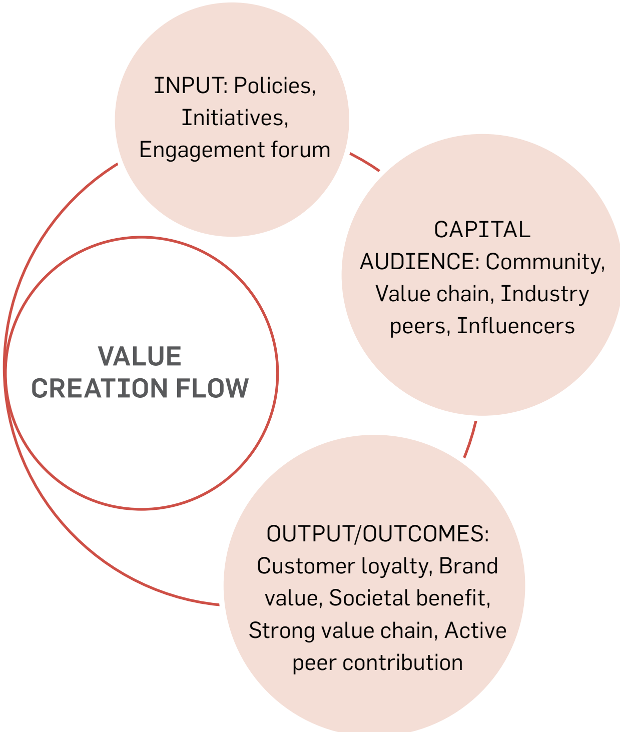
The campaign reached out to **over 4,500** people

Interlinkage of Human Capital with other capitals

The Company's Human Capital stock is positively impacted when it invests in skill development initiatives to improve the technical know-how for better operations. This also benefits individuals for career enhancement and increasing growth prospects, thereby increasing the Intellectual Capital stock and positively impacting the Financial Capital stock by enhanced profitability.

SOCIAL AND RELATIONSHIP CAPITAL

The Company actively invests in building capacities and co-creating models for growth across its spectrum of stakeholders – translating into positive Social and Relationship Capital.



In a financial world driven by the tenets of 'value chain approach', doing business in isolation is an unthinkable proposition. The Company has seized this as an opportunity and strives to build a framework in which it remains 'Truly Connected' with its stakeholders. Apart from value creation through direct business activities, it also endeavours to enrich the social quotient by means of targeted community intervention. This, in turn, has created a repository of knowledge emanating out of relationships with stakeholders.

Apollo Tyres believes that the Social and Relationship Capital stock has provided a strong foundation for long-term growth in the form of customer trust, loyalty and brand recognition.

KEY CAPITAL INPUTS

Enabling policies
Forward-looking policies across key stakeholder groups have been guiding effective governance in order to foster positive relations based on mutualism. Some of these are the CSR Policy, Apollo Partnership Pact and Public & Regulatory Policy, among others.

Community engagement[1]
Open channels of communication and constructive relationships with neighbouring communities and NGOs. The Company is actively working with these communities to address issues like environment conservation, healthcare and livelihood generation. It spent ₹183.7 millions in FY20 on CSR initiatives.

Value chain initiatives[2]
Upstream raw material **suppliers** and **dealers** are business partners and intrinsic to positive value creation across the capitals. Suppliers are expected to comply with the Apollo Partnership Pact and integrate environmental, occupational health and safety, human rights and labour policies into their business and decision-making processes. The joint engagement with suppliers exists in various spheres of working, like vendor meets, joint technical projects, and more. The Company also runs a CSR programme at the premises of its raw material suppliers to support good health and create awareness on HIV / AIDS Prevention and the ill effects of substance abuse.

It endeavours to enhance the business processes to offer best-in-class service to its dealer partners. Apollo Tyres has formed a **Management Advisory Committee** with its business partners with a view to gather constructive market feedback for improvement. Furthering the journey towards service enhancement for business partners, it has introduced two robust IT-enabled platforms, i.e. **Business Partner Service Centre** and **Sampark** (a digital platform for the partners for all business transactions).

1 Detailed information is available in the Environment section on **Page 66** and the Community section on **Page 56**

2 Detailed information is available in the Value chain section on **Page 52**

'Customer First' value[3]

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

Apollo Tyres regularly engages with its customers through different forums to get inputs and suggestions in order to serve them better, including through initiatives like Voice of Market, Cost Per Kilometre **Apollo Quick Service** and **Customer service points like CV, PV & Agri zones**).

Engagement forums

In-line with its efforts towards sustainability, the Company has joined the Global Platform for Sustainable Natural Rubber promoted by the World Business Council on Sustainable Development in order to contribute to the improvement of socio-economic factors in the natural rubber supply chain.

The Company actively engages with industry peers and lends its views on the business paradigm through prominent industry chambers. Apollo Tyres is a member of the Confederation of Indian Industry, Automotive Tyre Manufacturers Association and Federation of Indian Chambers of Commerce and Industries.

KEY CAPITAL OUTPUTS AND OUTCOMES

Community

- CSR beneficiary from all ongoing CSR programmes: **5,81,585**
- % of CSR beneficiary base who availed Healthcare services [OPD] - **30**%
- Women beneficiaries linked to government schemes: **4,400+**
- Salary range for women beneficiaries through of skill building initiative: **₹9,000-13,000**
- Community funding support in Waste Management Programme

Value chain

- Upstream supplier endorsement to APP: More than **60%**
- Number of trainings on CSR with suppliers: **3** with **57** participants
- Number of dealers given exclusive CPKM training: **106**
- Exclusive rural engagement vehicle: Apollo Vikas Kendra

Customers

- Outreach from Apollo Tractor Owners' Meet: **20,000** farmers from **300+** events
- Dedicated commercial vehicle zones: **64**
- Customised passenger vehicle fleet owners' engagement: **1,057** events
- 'Bad Road Buddies' engagement with car and bike owners: **240** events

3 Detailed information is available in Consumer issues section on **Page 62**

MANAGING THE OUTCOMES

COMMUNITIES

Prioritising social investment projects in core thematic areas identified through stakeholder needs assessments and in line with the organisational approach catering to their development aspirations. Ensuring Government linkages, wherever available, enabling the beneficiaries to capitalise on the opportunities.

VALUE CHAIN

Ensuring consistent and effective engagement with suppliers and dealers with the objective of aligning their expectations with our strategy and targets. Regular forums of engagement to gather effective feedback.

CUSTOMERS

The Apollo value, 'Customer First', highlights the pivotal role of the customer for the organisation. In resonance with this, the Company has restructured its approach to customer relationship management around three broad themes - Transparent Communication, Customer Care and Timely Delivery of Service.

IMPACT STORY

Sulekha's journey from a helpless rubber tapper to a beneficiary of the Apollo Tyre Foundation's rubber tappers wives initiative is a compelling narrative. It is a testimony of turnaround of fortunes affected through sheer perseverance and able guidance. Her apiculture unit, Madhurima, has been the cornerstone of positive change for a group of beneficiaries like her. In 2019, her unit's Madhurima Honey created its space in e- commerce portal.

MADHURIMA'S TIMELINE

Registered License

The Unit is registered for **FSSAI licence** in line with government mandate.

Global Certification

The unit received international certification for Food Safety Systems - **FSSC 22000** Ver 5.0.

Turnover

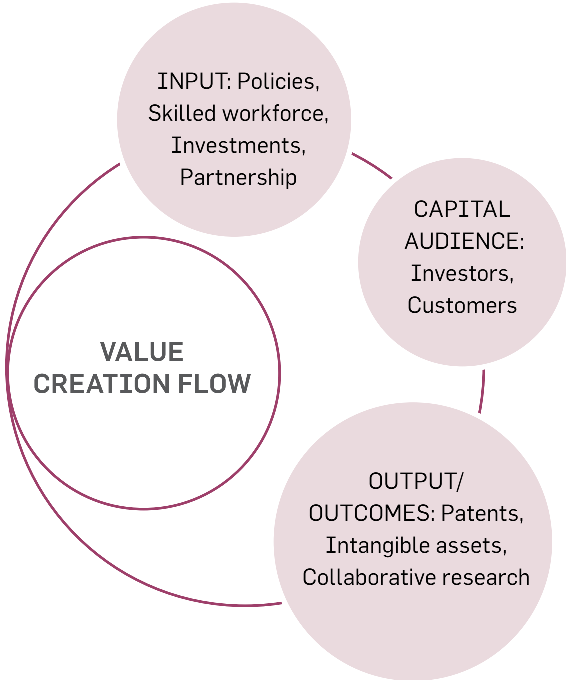
Product is **available online**. The last three years' turnover was ~ **₹14 lakhs.**

Interlinkage of Social and Relationship Capital with other capitals

The Company invests proactively in developing its Social and Relationship Capital stock. This translates into build up in Financial Capital and Natural Capital stocks over the long-term.

INTELLECTUAL CAPITAL

Apollo Tyres focuses its efforts on delivering cutting-edge products to its customers at competitive prices. The dedicated R&D centres are a testimony to its unwavering commitment to bring value to the stakeholders. The repository of knowledge thus developed inhouse, or the Intellectual Capital, will stand the organisation in good stead in catering to the future needs of the automotive sector.



KEY CAPITAL INPUTS

Enabling policies
Forward-looking policy on customer-centric product stewardship to build superior products in line with the growing expectations of the customers.

Skilled workforce
Dedicated R&D department with 460 skilled, experienced and technically qualified employees.

Investment
R&D allocated capital expenditure and operational expenditure (consolidated for FY20): **₹1,368.11** millions

Research partnerships
- Partnership with various research institutes, universities and OEM partners across the world
- Collaboration with Center for Tire Research, USA, Dresden University, Twente University, SRM University and BITS Pilani
- 5 sponsored research scholars pursuing doctoral degrees at IIT Kharagpur, IIT Chennai, IIT Patna and BITS Goa
- 5 project trainees from IITs, 15 interns from various IITs and other institutes have been enrolled

KEY CAPITAL OUTPUTS

Intellectual property
- Patent applications in FY20 in the technological areas mentioned below:
    - Process of chemical modification of bio-based hydrocarbon resins
    - Rubber composition for tyres
    - Chemical modification of styrene-based resin
    - Chemically modified alpha methyl styrene resin and tyre composition thereof
    - Modified agricultural tyre for non-agricultural road haulage applications
    - Ventless sectored mould for tyre sidewall manufacturing
    - Efficient cooling system incorporated in the upper sidewall of the tyre
    - Modified SSBR with PT resin and application in the tyre thereof
- 18 design registrations

Assets
- Intangible assets (standalone): **₹320** millions in FY20

KEY CAPITAL OUTCOMES

Products commercialised
- PCR: Domestic - **19**, Export - **30**
- TBR: Domestic - **5**, Export - **6**
- Two/Three-Wheeler: Domestic - **12**, Export - **38**
- OHT/TBB: Domestic - **14**, Export - **3**

Design registrations
- India: **12**
- Europe: **5**
- Australia: **1**

Research collaboration
R&D centre is now an approved research centre of Anna University, enabling employees to enrol for PhD and conduct their research work at R&D Centre.

MANAGING THE OUTCOMES

PRODUCT INNOVATION

The Company has been continuously focusing on new product development to grow market share. Investments are made in research for new transportation solutions with low impact on environment, exploring the feasibility of using alternative materials to natural rubber, including the use of recycled materials.

KNOWLEDGE ENHANCEMENT

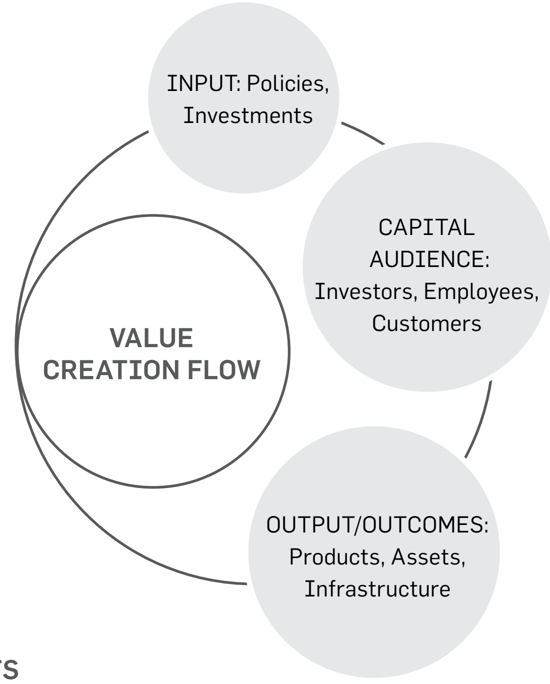
Apollo Tyres makes concerted efforts in providing continuous training and technical skills development for its R&D workforce.

Interlinkage of Intellectual Capital with other capitals

The Company builds the Intellectual Capital stock through investments in state-of-the-art R&D facilities together with skilled human resources. This also augments the rise in Manufactured Capital and Human Capital. The products developed through innovation and collaborations with other institutions consequently translate into positive build-up in the other capitals as well.

MANUFACTURED CAPITAL

The Company's manufacturing and delivery infrastructure is the pillar that proves to be pivotal in meeting customer needs with the best quality products. It aspires to serve different market segments and bring customer delight with its 'Customer First' value, building on its Manufactured Capital stock.



KEY CAPITAL INPUTS

Enabling policies
Forward-looking policy on high-quality product manufacturing with the highest standards of safety.

Investments
Capital expenditure outflow (consolidated for FY20): ₹**28.36** billions

Manufacturing plants

- 5 manufacturing locations in India (Chennai, Perambra, Limda, Kalamassery and most recently, Chittoor)
- 2 manufacturing locations outside of India – The Netherlands and Hungary
- 2 global R&D centres in Chennai, India and Enschede, The Netherlands

In addition to this, the Company has acquired assets, office space and warehouses under operating lease agreements.

KEY CAPITAL OUTPUTS

Manufacturing Capacities

India

- Limda, Gujarat: **1,84,740** MT
- Chennai, Tamil Nadu: **2,91,666** MT
- Perambra, Kerala: **1,13,510** MT
- Kalamassery, Kerala: **42,087** MT

Europe

- Enschede, the Netherlands: **54,238** MT
- Gyöngyöshalász, Hungary**: 47,688** MT

KEY CAPITAL OUTCOMES

- Property, plant and equipment (consolidated) of ₹**144.96** billions (net asset value as of March 2020)
- Depreciation and amortisation (consolidated): ₹**11.38** billions
- Depreciation and amortisation (standalone): ₹**6.2** billions
- Greenfield project in Andhra Pradesh achieved **10 million safe person-hours** without a lost-time incident during FY20
- Impairment of assets: Nil

MANAGING THE OUTCOMES

ASSET DEVELOPMENT AND MAINTENANCE

The Company continues to invest in planned maintenance programmes to extend the lifespan of assets, enhance operational improvements, and ensure safe, reliable and efficient operations.

SAFER ESTABLISHMENTS

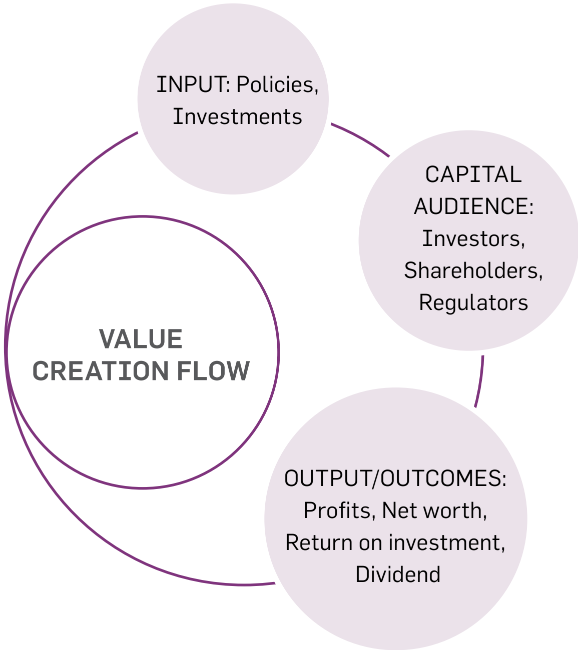
Apollo Tyres allocates resources to ensure world-class construction and project safety programme that is integrated with the business process deployed at sites.

Interlinkage of Manufactured Capital with other capitals

The Company's strategic focus on growth projects increases the stock of Manufactured Capital. Increasing capital expenditure on manufacturing plants to access domestic as well as global markets impacts the Financial Capital and Natural Capital in the near term. The enhanced Manufactured Capital in terms of new products across segments will help the Company to achieve growth and gain market share. This, in turn, helps in building the Financial Capital and Social and Relationship Capital.

FINANCIAL CAPITAL

The Financial Capital is a strong enabler for all the other capitals to perform at the optimum. Considering the targeted return on capital, the Company's investment decisions are strategically evaluated. Apart from creating value through its business activities, the resulting Financial Capital is also reinvested in each of the other capitals in a carefully balanced manner to ensure the most effective and efficient creation of value.



KEY CAPITAL INPUTS

Enabling policies
Policy on prudent investments and capital employment to maximise returns

Market capitalisation
₹62.32 billions (as on July 25, 2020)

Net debt (consolidated)
₹58.78 billions (as on March 31, 2020)

Capital expenditure outflow (consolidated)
₹28.36 billions

Capital employed (consolidated)
₹99.30 billions (as on March 31, 2020)

KEY CAPITAL OUTPUTS AND OUTCOMES

- Consolidated operating profit (EBITDA including other income): **₹19,623** millions
- Cash generated by operating activities (consolidated): **₹25,173.60** millions
- Net debt to EBITDA (ratio) (consolidated): **3.00**
- Net debt to Equity (ratio) (consolidated): **0.59**
- Earnings per share (consolidated): **8.33**
- Return on equity (consolidated): **4.80**%
- Dividends paid to shareholders:
  - **325**% (Dividend for FY19)
  - **300**% (Dividend for FY20)
- Credit ratings: **AA+** (CRISIL) for long term, **A1+** (CRISIL) for short term; **IND AA+** for long term, **IND A1+** short term

Interlinkage of Financial Capital with other capitals

Financial Capital stock is utilised to build other forms of capitals. These, in return, contribute to the Financial Capital stock, especially Manufactured and Social and Relationship Capitals.

MANAGING THE OUTCOMES

OPTIMAL CAPITAL ALLOCATION

The Company focuses on optimal capital allocation to deliver returns on invested capital by considering alternative funding options for its growth investments, including project financing, bank loans and more.


adidas
CHEVRO
adidas
KO
ROLET
KOHLER

Responding to macro-economic environment

GLOBAL ECONOMIC SLOWDOWN, ALONG WITH VOLATILITY IN OIL AND NATURAL RUBBER PRICES CONTINUE TO BE AN AREA OF CONCERN FOR THE DOMESTIC TYRE MANUFACTURING INDUSTRY.

FOCUS AREAS

- Decline in demand for some products
- Erosion of competitive advantage
- Reduced revenue, margins and earnings
- Lower return on invested capital resulting in pressure on share price
- Premium positioning of Vredestein brand in Europe

ACTIONS UNDERTAKEN

- By initiating or intensifying a business performance enhancement programme and response plan, the Company conserved Financial Capital
- With a diversified market base across geographies, Apollo Tyres is not dependent on domestic market alone and is strategically working towards growth opportunities in other large markets
- Advanced R&D facilities will support growth through cutting-edge technology and innovation
- Highly automated, state-of-the-art greenfield plant in Hungary positioned to grow in the European market due to a new cost-competitive manufacturing facility

Delivering socio-economic value

APOLLO TYRES' CONTRIBUTION TO SOCIAL AND ECONOMIC DEVELOPMENT IS CRITICAL TO CREATE AND SUSTAIN AN ENABLING ENVIRONMENT FOR INVESTMENT. THE COMPANY'S SUSTAINABILITY AGENDA IS FOCUSED ON FOSTERING INCLUSIVE GROWTH. SOCIAL INVESTMENTS TOWARDS PROGRAMMES PROVIDE SUPPORT TO RESPOND DIRECTLY TO COMMUNITY'S DESIRED OUTCOMES AND ALSO ALIGNED WITH THE COUNTRY'S ECONOMIC GROWTH DRIVERS SUCH AS LIVELIHOOD CREATION, HEALTH ISSUES AND ENVIRONMENT PROTECTION, AMONG OTHERS.

FOCUS AREAS

Stimulating economic growth by providing markets for Apollo Tyres' products and services

Maintaining production integrity by ensuring responsible supplier management

Localising and diversifying supply chain/distribution networks

Developing the skills needed to maintain technological lead

ACTIONS UNDERTAKEN

By promoting social value through business activities and applying Financial Capital, building trust through effective stakeholder engagement and delivering value through social investment Apollo Tyres built the stocks of Human, Social and Relationship Capital

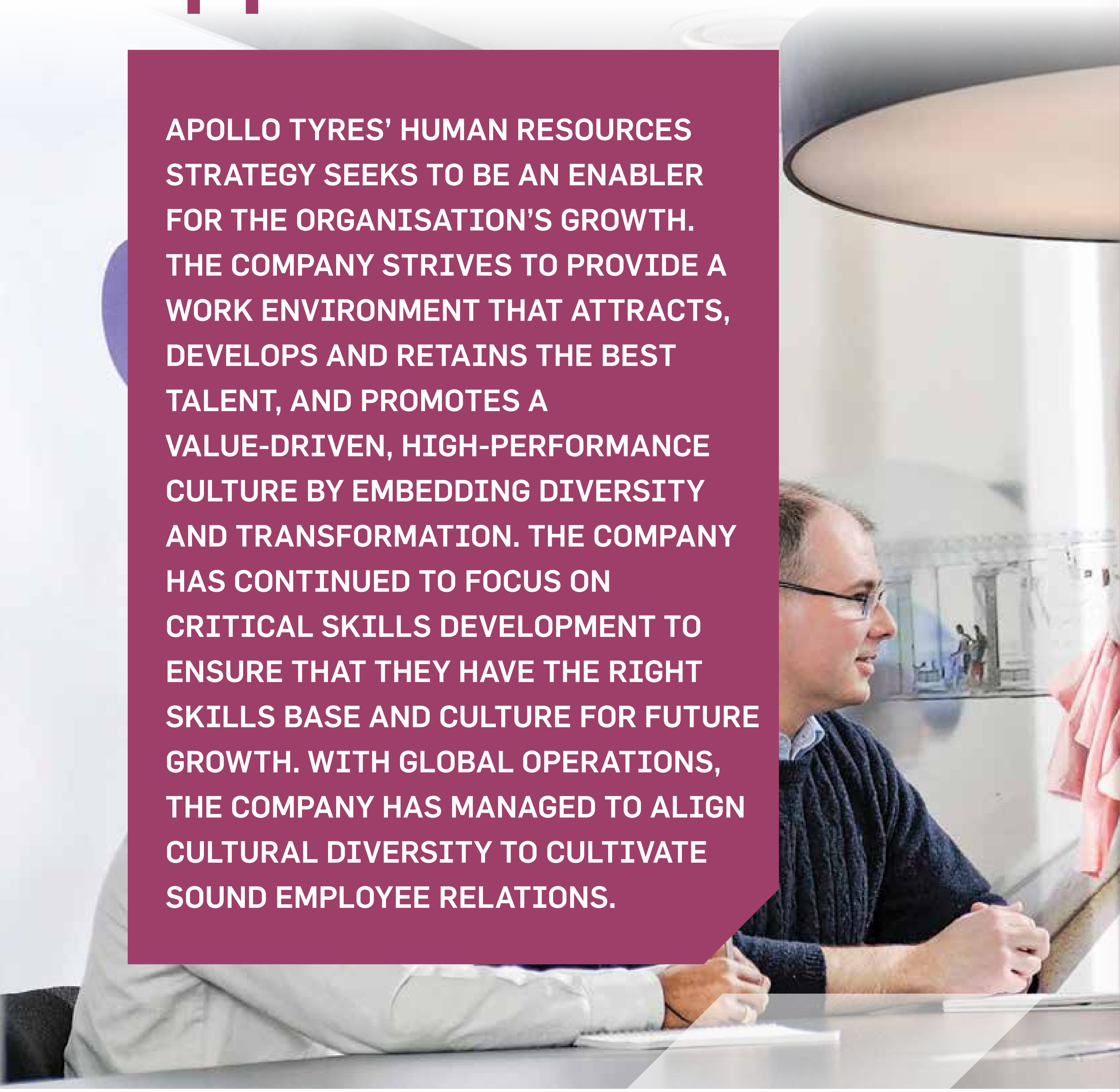
Apollo Tyres works to empower communities to address issues like environment, health and livelihood generation, bolstering Natural Capital, Social and Relationship Capital

Invested in social investment programmes to uplift communities through dedicated CSR budgets

Continue efforts to build trust and accountability through effective stakeholder engagement

The Company invested in Healthcare programme for the trucking community, Solid Waste Management and Sanitation, Rural Livelihood for women, and Biodiversity & Climate Change

Promoting a people-centric approach



APOLLO TYRES' HUMAN RESOURCES STRATEGY SEEKS TO BE AN ENABLER FOR THE ORGANISATION'S GROWTH. THE COMPANY STRIVES TO PROVIDE A WORK ENVIRONMENT THAT ATTRACTS, DEVELOPS AND RETAINS THE BEST TALENT, AND PROMOTES A VALUE-DRIVEN, HIGH-PERFORMANCE CULTURE BY EMBEDDING DIVERSITY AND TRANSFORMATION. THE COMPANY HAS CONTINUED TO FOCUS ON CRITICAL SKILLS DEVELOPMENT TO ENSURE THAT THEY HAVE THE RIGHT SKILLS BASE AND CULTURE FOR FUTURE GROWTH. WITH GLOBAL OPERATIONS, THE COMPANY HAS MANAGED TO ALIGN CULTURAL DIVERSITY TO CULTIVATE SOUND EMPLOYEE RELATIONS.

FOCUS AREAS

Skilled, experienced, diverse and productive people enable the Company to operate safely, reliably and sustainably

Pursuing zero accident culture is paramount: safe plants are stable plants, allowing the Company to meet production targets

Providing a safe work environment where employees are healthy and engaged

Ensuring that the Company has the right talent in the right place at the right time enabling transformation and growth

ACTIONS UNDERTAKEN

By investing in the safety, health and wellbeing of its employees, Apollo Tyres ensures a culture of high performance. It is nurturing talent to build the stocks of Human and Social and Relationship capital.

There has been visible impact of the Safety culture within the organisation. This is manifested in significant rise in proactive safety consciousness at shop floor level with teams identifying 50,666 behaviour-based observations in FY20.

The transformation of workforce and promoting an inclusive culture is key in protecting Apollo Tyres' Human, Social and Relationship, and ultimately its Financial Capital.

Despite challenges posed by volatile oil and natural rubber prices, the Company provided fit-for-purpose remuneration to attract and retain a value-driven, high-performing workforce

PAVING THE WAY TO SUSTAINABLE AND SHARED PROGRESS

ABOUT THE SECTION

We present the sustainability performance of the Company through a stakeholder lens.

Apollo Tyres has developed its own Sustainability Management Framework (SMF), aligned to the global standard of ISO 26000 on Social Responsibility. The Company commenced its roadmap to undertake external assurance on the ISO 26000 framework in FY19 for disclosures and reporting on the core subjects. It started with Environment and Community Development, and taking the journey forward, incorporated two more subjects — Fair Operating Practices and Consumer Issues.

The sustainability performance reporting draws elements from globally available and accepted guidelines like the Global Reporting Initiative (GRI).

PERIOD OF REPORTING

The period covered for the purpose of this report is April 1, 2019 to March 31, 2020.

SCOPE OF THE REPORT

The Company has made all efforts to ensure transparency, accuracy and materiality in this report. The information disclosed in this report relates to the two regions of the Company's operations – Europe and Asia Pacific Middle East and Africa (APMEA). This report primarily covers manufacturing operations, with the exception of the 'The People Pillar' section, which also discusses non-manufacturing operations.

ORGANISATIONAL APPROACH TO SUSTAINABILITY

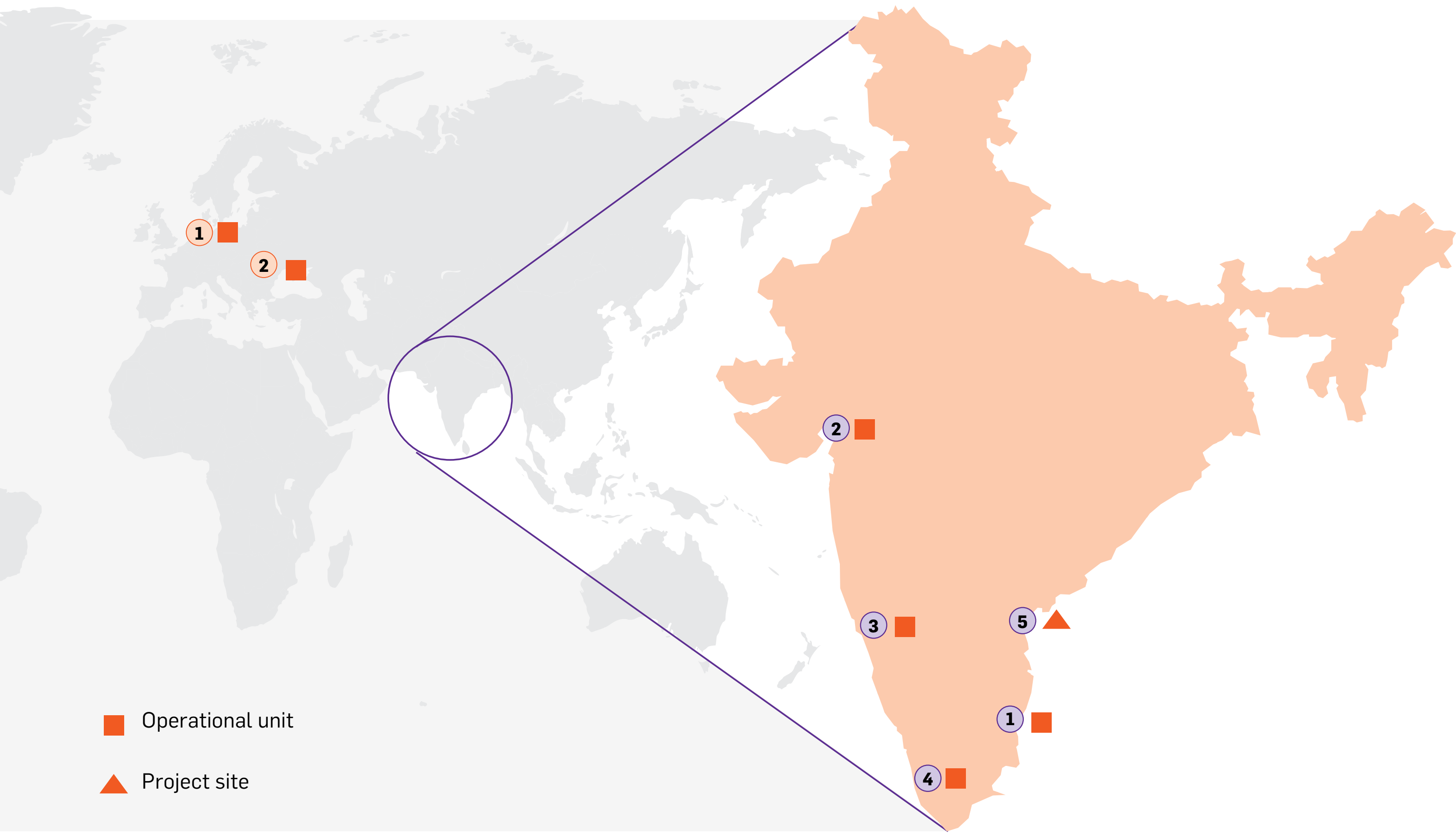
The sustainability strategy of Apollo Tyres syncs its growth agenda with environment conservation, social prosperity and economic wellbeing. The strategy has made the Company's growth inclusive, balanced and responsible even as it endeavours to be the industry leader by pursuing new and emerging opportunities and continually embedding sustainability into its business model. This endeavour is manifested in a well-developed and implemented SMF.

Apollo Tyres ensures that sustainability goals are aligned with its business goals in order to create value for all stakeholders. A major shift over the past years has been the integration of sustainability into all levels of the corporate strategy, business model as well as the value chain. The SMF and the associated roadmap are further embedding the sustainability principles into the core of the organisation.

To reach out to a wider range of stakeholders and communicate its sustainability performance, the Company has been making disclosures based on international guidelines since 2010. The sustainability disclosures have been instrumental in assessing actual performance, setting benchmarks and striving for continual improvement with respect to all domains of the triple bottom line – social, environmental and financial.

Regular formal and informal interactions with the stakeholders over the years have been fruitful in promoting strong and enduring stakeholder relationships that is reflected onto the key business risks and opportunities. Sustainability risks are identified through such engagements, and strategies formulated to mitigate these risks. This is done quarterly and the matter is prioritised and reported to the Board.

MANUFACTURING LOCATIONS



EUROPE OPERATIONS

1. Enschede, the Netherlands
2. Gyöngyöshalász, Hungary

APMEA OPERATIONS

1. Chennai, Tamil Nadu
2. Limda, Gujarat
3. Perambra, Kerala
4. Kalamassery, Kerala (leased unit)
5. Chittoor, Andhra Pradesh

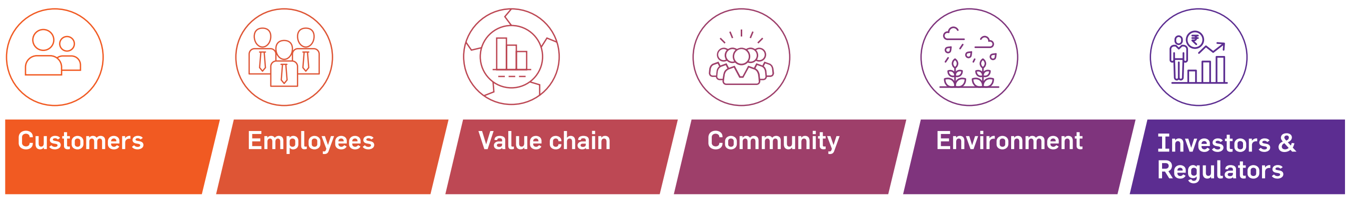
CREATING AN INCLUSIVE ECOSYSTEM

Globally, stakeholder inclusiveness has become the cornerstone for corporations embedding sustainability in their operations. While the value chain concept has underlined the partnership approach across the stakeholder spectrum, it has also brought centre stage the need for inclusive and responsive stakeholder engagement for a robust and growing organisation.

Apollo Tyres is deeply aware of this concept and considers its stakeholders an inherent component of its business ecosystem. The Company being at the nucleus of this ecosystem takes it as its cardinal responsibility to include its stakeholders' views in its operations.

The Company engages with a wide range of stakeholders around the globe. At the local/regional level, the operations are encouraged to work with stakeholder groups to identify concerns, if any, and implement engagement initiatives through appropriate mechanisms. Various functional departments use diverse communication channels to fulfil this responsibility.

ORGANISATION STAKEHOLDER PARADIGM



KEY STAKEHOLDER GROUPS

Stakeholder group	Responding department
Customers	Marketing, Customer services, Sales
Value chain	Procurement, Sales, Supply chain
Employees	Human resources, Health, Safety and Environment
Community	Corporate social responsibility
Environment	Sustainability, Health, Safety and Environment
Investors and regulators	Investor relations, Company secretarial

KEY RESPONSIBILITIES OF FUNCTIONAL DEPARTMENTS

APOLLO'S THREE-PRONGED STRATEGY FOR STAKEHOLDER ENGAGEMENT

SUSTAINABILITY GOVERNANCE

Apollo Tyres has always believed that sustainability is not just a 'good to have' but a 'must have' attribute for any organisation aspiring to generate continual value for its stakeholders. With this value proposition, the Company has evolved a framework to deeply integrate sustainability principles into its core operations.

The Company has adopted ISO 26000:2010, an international standard on Social Responsibility, and has been on a journey to develop its sustainability governance model in consonance with the guidelines of the standard.

The ISO 26000:2010 states seven areas, referred to as 'core subjects', which any organisation should consider in order to grow as a socially responsible entity. These are listed below.

CORE SUBJECTS

The Company has been assured by an external independent party on four of the six core subjects. Further, as part of its ongoing commitment to engagement and communication with its stakeholders, the Company has adapted its annual sustainability disclosures to reflect the ISO 26000 standard guidelines. These can be viewed in the following sections.

FAIR OPERATING PRACTICES

Apollo Tyres operational practices and organisational behaviour are based on the values of honesty, equity and integrity. These business dealings involve the relationships between the organisation and its partners, suppliers, contractors, customers, competitors and associations wherein it holds membership. As a responsible organisation, Apollo Tyres identifies, adopts, and applies standards of ethical behaviour appropriate to its purpose and activities. This is to encourage and promote the observance of the standards of ethical behaviour.

Apollo Tyres has been able to sustain productive relationships with its key stakeholders because of its responsible business practices. The organisation is committed to its core values of Customer First, Business Ethics, Care for Society, Empowerment, Communicate Openly and One Family. These are key to the way it works and interacts with its various stakeholders. The Code of Conduct sets out key policies that outline the standards and behaviours that help shape and strengthen the organisational culture.

ANTI-CORRUPTION

The Company has a zero-tolerance approach towards corruption and conducts its business in compliance with all applicable legal and regulatory requirements.

It has formulated a Code of Conduct for all its employees and implemented a vigil mechanism through the 'Whistle Blower' policy to deal with instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. The functioning of the whistle blower mechanism is periodically reviewed by the Audit Committee of the Board. There are laid down procedures for reporting breaches of the Code of Conduct.

RESPONSIBLE POLITICAL INVOLVEMENT

Apollo Tyres ensures responsible behaviour while contributing towards the development of public policies that benefit the larger society. Being an apolitical company, it does not encourage political involvement of any kind.

FAIR COMPETITION

The Company sees its vendors as long-term business partners. It is committed to conducting business dealings in a fair and ethical manner that promotes open and fair competition in the best interests of the Company and its business partners.

The organisation has been proactive in ensuring compliance with all applicable laws, rules and regulations. It has developed a 'Competition Compliance Manual' to prevent engaging in anti-competitive behaviour. It also conducts employee awareness on legislations related to fair competition through regular e-mailers, newsletters, trainings, meetings, manuals, and more.

PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN

The Company extends its organisational sustainability principles to its partners down the value chain in order to build a connected community based on common values. For the raw material suppliers, it has formulated the 'Apollo Partnership Pact' (APP) that takes into account ethical, social, environmental and health and safety considerations in operations. Partners are encouraged to abide by the provisions of the APP in order to become a preferred partner of Apollo Tyres. The Company also conducts periodic audits and suggests improvement plans for improving performance.

Read more in the Chapter – Partnering the value chain.

RESPECT FOR PROPERTY RIGHTS

Apollo Tyres respects the intellectual property rights of others. For matters pertaining to intellectual property rights [IPR], it undertakes thorough research and follows legal advisory before filing for its Intellectual Property Rights (IPR). It is committed to paying fair compensation, as per the rules of the land for property that it licenses or uses for its business purposes.

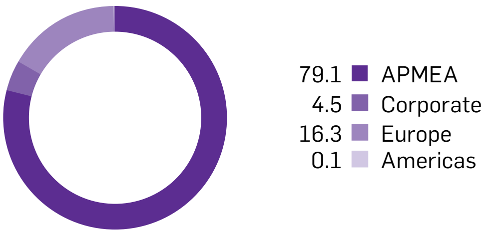
THE PEOPLE PILLAR

WORKFORCE

Apollo Tyres envisions to 'Be a premier tyre company with a diversified and multinational presence' and continues to create best-in-class products, offer superior value to customers, work with partners, support and empower communities and stay focused on 'People First'.

With the spirit of 'People First', it offers a talent value proposition that allows it to challenge, enrich and fulfil the aspirations of its employees, so that they can maximise their true potential to 'go the distance'. Apollo Tyres' aspiration to be a truly global talent hub, sets the course for an ambitious and exciting journey with newer capabilities, categories and growth engines in the areas of talent and culture. As on March 31, 2020, the Apollo family has 17,933 permanent and contract employees worldwide.

REGION-WISE EMPLOYEE DISTRIBUTION (%)



Apollo Tyres provides its workforce equal opportunities to perform and gain recognition, cultivating an environment of 'One Family'. With this philosophy, it regularly engages with its employees both for their wellbeing and involvement across various levels. During FY20, it set up 'People Councils' to conduct focused group discussions and get insights from its employees.

The feedback generated has been integrated in the Human Capital strategy and policy-making to make it more inclusive. The Company continues to invest in building a culture of high performance and high trust.

GRADING ALIGNMENT

In 2009, the Company introduced a flat structure in the form of Team Member – Team Leader – Group Leader (TM-TL-GL), during the setting up of the greenfield Chennai plant, and later the Global R&D Centre, Asia. For a decade, the structure helped in creating a culture of empowerment, effective communication and faster decision-making. However, in recent years, based on consistent feedback from employees, the Company identified the need to provide for a structure that allows opportunities for growth in line with the market and other organisations. It has partnered with Korn Ferry (Hay) and carried out an extensive position evaluation exercise to ensure mapping the flat structure to the proposed India-specific grading structure. The new grading structure was successfully implemented during FY20.

TALENT HIRING

The Company focuses on bringing in diverse talent to build a balanced workforce that can take forward its core values. It does not believe only in lateral hiring, but also building, nurturing and sourcing talent directly from the campuses, in order to groom them as future leaders.

Focus on fresh talent

- The Company's Apollo Talent Track platform helps it to recruit talent from campuses and develop them as future leaders.
- The Apollo Finance Programme, a first-of-its-kind programme, aims to induct fresh finance talent (Charted Accountants) with the long-term perspective of building future finance leaders.

MANAGING INDUSTRIAL RELATIONS

The Company proactively engages and maintains healthy industrial relations, consistently working in collaboration with trade unions and other employee bodies to improve the work environment for its people and increase both productivity and cost-effectiveness of the operations.

At its Perambra plant in India, the challenge of high cost and low productivity was tackled strategically by shifting high-cost unionised contract labourers from engineering to production. An HR helpdesk was also put in place to handle employee queries and grievances for an enhanced employee experience.

In Europe, the Company decided to create specialisation at the Enschede factory in two phases while taking into account the potential impact on people. It is continuously engaging with its employees and the work council to minimise the impact on employee morale and keep the workforce motivated during the process.

CAPABILITY BUILDING

Talent development is one of the key functions of organisational human capital deployment. Capability building has been the focus area, which enables Apolloites to face challenges, learn, grow and 'go the distance'. The Company's focus on capability building is in constant focus of the Company, enables Apolloites to face challenges, learn, grow and achieve their potential. The programmes are designed and linked to specific business goals in order to make the workforce future ready. Apollo Tyres invests in a variety of programmes to hone technical, product, process, leadership, and soft skills of its people through classroom, on-the-job and online training.

During FY20, the Company launched a global programme for **First Line Managers** with an aim to develop people managerial skills. A two-day workshop was designed around the essential skills required for any first line manager, on topics like communication skills, how to motivate, influence and manage team, etc. communication skills, the ability to motivate, influence and manage the team, and so on. It partnered with Hemsley Fraser to deliver the programme globally. The programme was run in 27 batches covering first line managers across five countries (India, Hungary, the Netherlands, UK and the US).

Partnering with Skillsoft, the Company launched **Digirace**, an employee e-learning platform for various functional and behavioural programmes. The programme clocked 2,218 learning hours, across 3,704 unique titles.

In Hungary, an e-learning process was set up to hone the professional knowledge of shop floor workers. As an outcome, the competence level of all teams shows a healthy distribution. A tyre building facility was launched in cooperation with Miskolc University.

In India, the Company's successful **ADMIRE** programme, focused on sales capability development, was attended by frontline field sales employees. Another initiative, the **Step-Up programme**, is known for delivering high-quality product and process training to the frontline field teams. The specialised training programmes, such as **Winning with Customers** and **Apollo ONE**, designed to enhance managerial and functional skills, were attended by over 500 employees.

In India, several initiatives are conducted at the plant level to ensure multi-skilling as well as up-skill development. Limda and Perambra focused on **Techknowledge**, a knowledge transfer series for the technology department and manufacturing team members. Kalamassery has **Process Resurgence** and **Mastery** workshops to increase technical and engineering knowledge. In Chennai, a **skill development centre** was established to impart skills to newcomers and for refresher trainings. The Company's plant in Andhra Pradesh has a radial tyre process orientation programme called **Bridge Course**, a two-month-long intervention to equip employees with knowledge of the radial tyre manufacturing process.

JOB ENRICHMENT AND ROTATION

The Company aims to provide a lot of learning opportunities to its inhouse talent in the form of job rotation and job enrichment. This approach allows employees to have opportunities to grow and the Company to leverage well-inducted candidates with a deep understanding of the business and culture. Over 150 employees opted for job rotation across various locations and functions.

The team at the Enschede plant has developed a programme that provides training to established operators, allowing them to rotate and work across multiple departments and equipment in order to develop a more flexible workforce.

EMPLOYEE ENGAGEMENT

In India, the Company has been venturing into newer aspects of engagement in order to keep the employees engaged both 'on the job' and 'off the job' through activities such as competitions, employee forums and interest groups. The events celebrated across various locations include Wellness Marathon, Baisakhi Festival and Apollo Family Day.

In both the European plants of the Company, various social events were held for employees, their friends, and families. The Company celebrated Vredestein's 110 year anniversary and 10 years of its operation under Apollo Tyres in May 2019. A family day was organised which saw 4,000 visitors and officials.

A few engagement activities conducted at the plants include blood donation camps, summer camps for a family get-together, social meeting platforms for spouses, Monthly Connect sessions, Apollo Family Safety Day, International Women's Day celebrations, Just Married Platform for the newly weds, Fun@Work activities like kite flying, Photography Day, and more.

Apollo Tyres has adopted sports as a medium to inculcate team spirit and healthy competition amongst its employees. It organised various sports events throughout the year that saw enthusiastic participation from employees. To strengthen the cause for sports in India, a fitness and wellness programme was introduced in which regular Yoga sessions and coaching by professional trainers to motivate people on fitness and the benefit of running were organised.

During FY20, the Company sponsored the 'Apollo Tyres Millennium City Marathon' in Gurugram, which saw the participation of more than 6,000 people.

Apollo Tyres also organised marathons at its plant locations in Chennai, Chittoor and Limda that saw healthy participation by the employees. The winners from these events were sent to participate in the Apollo Tyres Millennium City Marathon, Gurugram. With a view to promote engagement with Nature, a plogging event was organised in Chennai. It saw participation from employees as well as student volunteers from Womens' Christian College, Guru Nanak College, ATHMA HR Association and villagers.

Employee participation in social service activities promotes engagement as well a connection with the values the Company abides by. With this intent, volunteerism is being encouraged for employees to experience and participate in such events. Other events included donation drives for the destitute and workshops to impart soft skill to Industrial Training International (ITI) students in order to make them employable.

REWARDS AND RECOGNITION

At a global level, Apollo Tyres runs several recognition programmes aimed at rewarding employees.

The **Chairman's Award 'Employee of the Year'** is given to a senior level employee in recognition of outstanding contribution to the Company. Another coveted programme is **Roll of Honour**, given to individuals in middle management from across the organisation for consistent performance and significant contribution in their respective functions.

The **Long Service Awards, Apollo Pillars** were launched in January 2020, to recognise and reward the long-term contribution of the employees towards the growth and success of the Company.

As an employee recognition programme, '**I AM APOLLO**', highlights the growth journey of employees in Apollo Tyres across various functions and locations. It showcases how they have grown over the years, overcoming various challenges and handling different roles across different locations. The programme captures their beliefs, values and experiences. Each of these campaigns is shared internally as well as on the Company's LinkedIn page.

In addition to this, the Company also runs a lot of focused group reward and recognition programmes at plants. The Perambra plant introduced a spot rewards programme called 'Kudos', while the Kalamassery plant started operator rating in all the sections for rewarding the 'Best Operator'. The Limda plant has R&R programme called 'Sponteneo' for instant performance recognition on the shop floor with respect to production/productivity, quality, cost, delivery, safety, morale and environment.

HEALTH & SAFETY

Safety is of utmost importance to the Company, and this resonates in its Safety vision: 'Committed to the highest safety standards to ensure that every day we return safe and healthy to our families'.

The Company's five strategic priorities are incorporated in the Management Discussion & Analysis section ahead. Some of the additional information is mentioned below.

As a critical area, safety performance is reviewed and monitored extensively. The impact of the effort was observed in the Company's safety performance, where the Lost Time Injury Frequency Rate (LTIFR) reduced by 42% from the previous year. During FY20, the Company's greenfield project in Andhra Pradesh achieved 10 million safe person-hours without a lost-time incident. Also, the Company's Limda plant achieved 100% compliance scores based on fire safety and flood safety parameters as defined by an OE customer.

Further, during FY20, 100% warehouses were reviewed, safety controls were established along with implementing of safety specifications for new warehouses.

At the Enschede plant, the Company implemented a machine safety programme and installed the latest machine guards and controls on old machines.

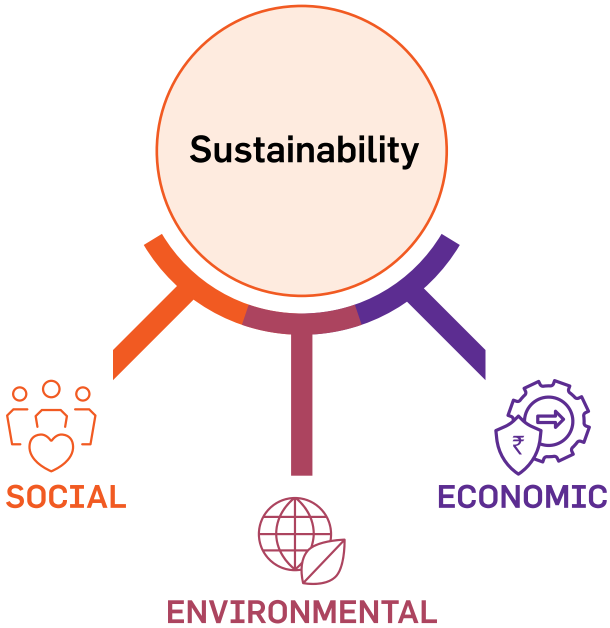
Aligning with the safety standards, mock drills across all plants, offices and warehouse locations were conducted. 63,153 accident prevention opportunities were identified through near-miss reporting, unsafe acts and conditions reporting. 50,666 behaviour-based observations were made on the shop floor to strengthen the safety culture at ground level. Further risk-based training was identified as a leading indicators at all the manufacturing plants, and the plants were able to achieve 1.19 training person-day per employee per year, that is, 15,713 person-days.

The Company continues its journey to inculcate safety behaviour amongst its people, their families, its partners and customers.

PARTNERING OUR VALUE CHAIN

Value chain approach has become a significant factor in embedding sustainability principles across all stakeholders. Globally, organisations are adopting approaches to include upstream and downstream supply chain in their growth journey.

RAW MATERIAL SUPPLIERS



SUSTAINABILITY IN PROCUREMENT PRACTICES

A commitment to sustainable procurement is of paramount importance with a continued focus on stakeholder value creation. By adopting and integrating social responsibility principles into its procurement processes and decision-making, an organisation is able to meet the requirements of its stakeholders as well as promote sustainable development.

At Apollo Tyres, the focus on upstream supply chain extends to planning, sourcing and managing the procurement of raw materials, processing and their use in the manufacture of intermediates. It also entails the final supply of the products from the suppliers to the plants.

The Company has a centralised purchasing function based in Gurugram, India, along with other purchase offices in Cochin, India, Singapore and Enschede, the Netherlands. The suppliers are expected to ensure that their services and products delivered to Apollo Tyres comply with all applicable laws and regulations.

PURCHASE POLICY

Apollo Tyres 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 business partners.

SUSTAINABLE SUPPLY CHAIN POLICY

An organisation needs to consider the environmental, social and ethical aspects of business while conducting its procurement, and where possible it should give preference to products with minimum impact, to promote sustainable business practices.

In order to align its upstream supply chain with this objective, Apollo Tyres has a Sustainable Supply Chain policy, which includes guidelines for conducting its business by reducing impact on environment by good governance and ethics and adhering to Human Rights.

The Company strives to continuously enhance customer satisfaction by providing cost-effective and quality materials on a timely basis, while working together with supply chain partners on environmental, economic and social aspects to enable sustainable business practices

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

PURCHASING GUIDELINES

With a view to promote lower carbon footprints, reduced logistics costs and enhanced supply proximity to the manufacturing locations, the Company encourages sourcing from domestic suppliers, with all other factors being equal. In addition, dealing directly with manufacturers enables the Company to work closely with business partners addressing any quality or logistic issues.

On the other hand, where there are opportunities in areas of exploring new product technology and innovation, import suppliers are also developed as additional and alternate sources of supply and under technical partnership projects.

The Company ensures that the raw materials sourced are free from chemicals and substances which impact environment adversely (SVHC – Substances of Very High Concern) and comply with all international norms and standards.

Apollo Tyres encourages suppliers to develop their environmental systems in compliance with the requirements of ISO 14001 and to get their systems certified by an accredited third party. It works together with the suppliers to promote the use of sustainable practices at its suppliers' manufacturing plants, offices and urges them to be eco-conscious.

APOLLO PARTNERSHIP PACT

Suppliers are expected to comply with the Company's Apollo Partnership Pact (APP) and integrate environmental, occupational health and safety, human rights and labour policies into their business and decision-making processes.

Partners are recommended to gather information from the upstream supply chain regarding the source of the raw materials that are used in their manufacturing process. This helps to improve the full traceability of the source of product.

It is committed to work jointly with its partners to promote and encourage compliance. Till date, more than 60% of the upstream supplier base has signed the APP to ensure their compliance.

GREEN PROCUREMENT

As a part of the green procurement initiative, all the purchase orders are auto generated through the ERP system and communicated to the entire global supplier base by paperless electronic medium only.

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 the usage of environment-friendly, re-usable, recyclable packing materials like returnable pallets, returnable metal boxes, returnable metallic spools for the supply of raw material to its global manufacturing plant locations. This 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.

REACH COMPLIANCE

Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a European Union (EU) regulation, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. The compliance requires companies to demonstrate safe use and communicate related risk management measures to the users. If the risks cannot be managed, authorities can restrict the use of substances in different ways.

The import of tyres in the EU needs to meet certain obligations under REACH to ensure that the tyres do not contain any of the listed Substance of Very High Concern (SVHC) beyond the specified limits. The Company and its suppliers ensure that the final product and its raw materials conform to the REACH requirements, as applicable.

The suppliers are either registered for REACH or executing the required activity as prescribed by REACH.

PAH COMPLIANCE

Polycyclic Aromatic Hydrocarbons (PAHs) are classified as carcinogens and can be found in rubber articles. Also, these can be present as impurities in raw materials used in production of such articles like extender oils, carbon black, waxes, recycled rubber and other materials of petroleum origin.

The Company is geared to meet all raw material related requirements with reference to usage of PAH free materials for supply of tyres to Europe and other markets.

TYRE LABELLING REQUIREMENTS

The Company is engaged with its raw material suppliers for continual improvement of the labelling parameters related to its tyres, in line with the continuously evolving needs of the market and expectations from its OEM customers.

SAFETY @ SUPPLIERS' WORKPLACE

Apollo Tyres encourages suppliers to follow all applicable industrial practices to ensure safe operations. The initiatives aims at 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 Company encourages its supplier to look at new manufacturing and information technologies as an enabler to make the workplace safer. It also conducts periodic assessment of the prevailing safety practices and development of suppliers' workplace conditions.

SUPPLIER ENGAGEMENT

The Company engages with its suppliers consistently through multiple platforms, including vendor meets, joint technical projects, quality workshops with natural rubber producers and processors, quality review meets, CSR workshops at suppliers manufacturing facilities, Request for Quotation (RFQ) meetings, business performance review meetings, Memorandum of Understanding (MoU) for purchasing volumes, among others.

The following lists out the Company's supplier engagement framework and key initiatives.

New supplier selection

The Company has a robust selection process to identify, evaluate and approve a supplier. It is a stage-wise evaluation and approval process involving commercial and technical evaluation of the supplier through a cross-function team of Purchase, R&D, Plant Technology and Manufacturing.

The supplier selection process involves in-depth evaluation and approval of supplier systems and capabilities in terms of product quality, production capacity and financial stability.

Joint development projects

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

The Company also seeks technical collaboration from its suppliers through active participation in various technical seminars and its Technical Leadership Development programmes.

Supplier audits

Supplier audits and assessment of the supplier quality management system are conducted at the time of selection of new suppliers and are also conducted periodically according to defined audit criteria.

The scope of supplier audits covers various elements like quality management system, environmental standards, occupational health and safety standards and others as per the Green Procurement Standards and APP. Audit teams visit the suppliers at regular intervals for compliance check as per the standard audit checklist.

Based on the audit, supplier improvement plans are drawn up, which are agreed and followed up with the suppliers until closure.

Supplier performance evaluation

Supplier performance evaluation is done on quality, delivery and service performance aspects through rating criteria, which aim 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.

CSR IN SUPPLY CHAIN

The Company runs a CSR programme at the premises of its raw material suppliers to support good health. It covers awareness programmes such as HIV/AIDS prevention and the ill effects of substance abuse. The spectrum of participants covers operators, supervisors, engineers and people from the management at the plant.

The programme is conducted by internal resources from the Company's purchase department, who have been trained by International Labour Organisation (ILO). The aim of the programme is to educate workmen at the supplier premises as well as develop peer educators at the supplier end who can carry this knowledge further within their respective organisations.

APOLLO NATURAL RUBBER 'DIRT FREE' CENTRES

Apollo Tyres has taken the lead in contributing to the quality improvement of natural rubber in India. It has set up 'Dirt Free' centres where natural rubber sheets are sourced from the farmers and graded using international practices. Further, the centres have employed women and are trained in natural rubber grading. In this way, the domestic natural rubber is made suitable for critical applications and helps the Company in import substitution.

CSR WORKSHOPS IN UPSTREAM SUPPLY CHAIN IN FY20

Period	Vendor	Location	Participants
Q4FY20	Rajsha Chemicals	Baroda	19
Q2FY20	Gujarat Reclaim Products Ltd.	Panoli	23
Q1FY20	Acmechem Ltd.	Panoli	15
Total			**57**

DEALERS

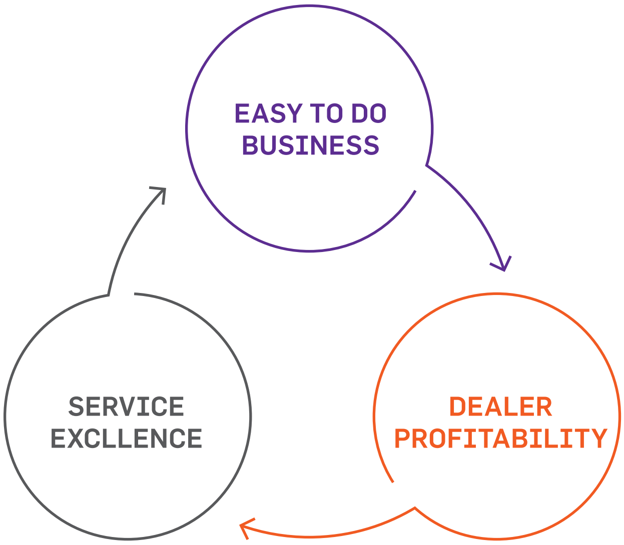
To engage with its business partners and build credibility and trust, Apollo Tyres has endeavoured to enhance its business processes to offer its dealers the best-in-class service level. It has focused to improve dealer-friendly benefits to inculcate a culture of healthy competition, belongingness and 'easy to do business', with the strong governance system at the backend.

The Company has multiple programmes, like the Apollo Value Edge Club, that are aimed to excite and support the partners in their growth journey.

Further to its journey of enhancing service level towards business partners, the Company has introduced two robust IT-enabled platforms: Business Partner Service Centre (BPSC) and Sampark.

- BPSC is a single window solution for all business transactions, queries, benefits and grievances. Business partner can also access their transactions, make payments and place orders via the BPSC.
- Sampark is 24X7 digital platform for its dealers and available through browser and mobile app for all transaction of the business partners.

DEALER VALUE PROPOSITION



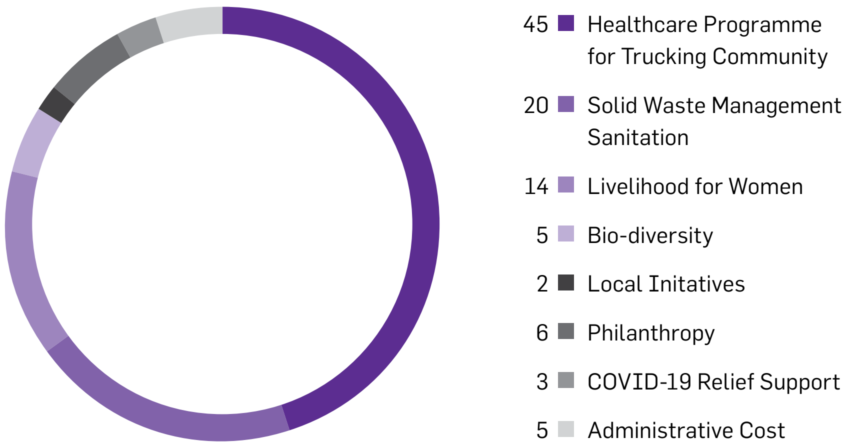
These initiatives have helped improve the dealer experience, the Company's turnaround time and strengthened the trust by making the business more transparent and easier.

COMMUNITY INVOLVEMENT AND DEVELOPMENT

Sustainability and social responsibility are inherent components of the Company's corporate strategy. The CSR activities are aimed at bringing a positive difference to the everyday life of its stakeholders – employees, customers, dealers, suppliers and communities. Environment is also considered a crucial stakeholder, hence 'Biodiversity' features as a global initiative with projects in India and Hungary.

Apollo Tyres constituted a CSR policy in 2014 in line with the Companies Act, 2013 and complies with the requirements of section 135 of the Act. The CSR initiatives are delivered through Apollo Tyres Foundation (ATF) registered in 2008. During FY20, the Company invested 2% of its net profit in CSR activities, amounting to ₹ 183.7 million. The percentage breakup of the CSR spent is presented in pie chart as per the core areas of the CSR strategy of the organisation.

CSR SPEND (%)



All the CSR initiatives of the organisation are aligned with national goals and the UN Sustainable Development Goals. The Company has categorised its CSR initiatives into two themes — Environment and Social (which includes health and community development). Within the themes, there are four core areas of work.

HEALTHCARE PROGRAMME FOR TRUCKING COMMUNITY

Preventive healthcare initiative for the truck driver community is the Company's pioneering programme. Under this initiative, the Company operates 32 healthcare centres in the transhipment hubs spanning 19 Indian states. The programme provides healthcare services such as prevention and awareness of HIV-AIDS, vision care, integration of tuberculosis and other non-communicable diseases such as diabetes, high blood pressure and general treatment facility. (This initiative is described in detail under Issue 6 later.)

SOLID WASTE MANAGEMENT AND SANITATION

Aligning with national development agenda and contributing to the 'Swachh Bharat Abhiyan', the Company has been running various projects on solid waste management and safe sanitation with the objective of promoting 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 started under this theme.

[7]The information on Environment theme is covered in the Chapter on Environment

LIVELIHOOD FOR UNDERPRIVILEGED WOMEN

The Company has initiated a programme, Navya, to support the livelihood needs of underprivielged rural women by providing them income generation opprtunities at their door step. (This initiative is described in detail under Issue 5 later.)

BIODIVERSITY CONSERVATION

Biodiversity conservation is a global theme for Apollo Tyres, wherein it has undertaken conservation projects in Hungary and the Netherlands. In India, mangrove conservation is a key initiative and such a project is being implemented in Kannur, Kerala. As a measure of mitigating climate change, a afforestation project is being implemented in Tamil Nadu, India within the theme.

In addition to the core themes, the Company has been conducting other local initiatives such as watershed management, renewable energy proliferation, road safety awareness, educational initiatives viz. computer literacy in schools and ITI-based skilling of youths and philanthropic endeavours. (These are described later under section 'other local initiatives'.)

The Company has been implementing its sustainability framework as per the international standard on Social Responsibility, ISO 26000:2010. The section presented below follows the above structure.

Out of the seven issues stated in the core subject, the following four have been identified and aligned to our themes of work.

ISSUE 1:
COMMUNITY INVOLVEMENT

Community is an important stakeholder for the Company. The core strategy is to have well-developed, strengthened communities that can sustain themselves. The Company follows a well-defined approach in identifying the needs of the community through both formal and informal methods. Whilst informal methods provide some guidelines and a bird's-eye view, the formal methods provide the basis for the initiatives. This is mainly undertaken by the field staff of the Foundation, who are also from the local area. Before the introduction of the initiative, a thorough Participatory Rural Appraisal (PRA) exercise, with needs assessment of the community, is undertaken.

ISSUE 3:
EMPLOYMENT CREATION AND SKILLS DEVELOPMENT

The Company believes that skill development trainings help the youth and other groups such as rural women in securing better livelihood. Therefore, it has initiated various programmes to develop specialised skills amongst various groups of the community.

Under this issue, the Company provides soft skill training such as career counselling, employability skills, basic computer education to ITI and graduate students to give them access to better job opportunities at its Chennai and Kochi locations. This falls under the 'other local initiatives' category of CSR.

During the reporting year, 400 students were trained under this initiative and around 100 students got jobs. For rural women, skills training is cascaded through Programme Navya, highlighted in Issue 5.

ISSUE 5:
WEALTH AND INCOME CREATION

The Company is committed towards addressing Sustainable Development Goals — SDG 1: Poverty, SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth. It supports gender equality and also helps underprivileged communities to rise above the poverty line. To achieve this, it has initiated a livelihood generation programme for rural women.

The issue is a core area of intervention for the Company. Under the programme, **Navya**, it seeks to improve the lives of women by providing them income generation opportunities at their doorstep and sensitising them on gender rights to address the problems related to discrimination.

Key activities under this programme include Self-help Group (SHG) formation, livelihood training and income generation and linkages with government schemes to improve socio-economic status of the beneficiaries.

SHG FORMATION AND STRENGTHENING

SHG works as a platform for bringing women together. The Company's strategy is to engage with women groups by either strengthening the existing SHG or by creating a new group when needed. The main objective of this initiative is to inculcate the habit of savings among the women, and cascade key learnings such as training on financial literacy, bookkeeping, documentation and others. They are also trained to deal with social issues like domestic violence, gender rights, among others.

LIVELIHOOD TRAININGS AND INCOME GENERATION

Skill development training is provided to underprivileged women to create livelihood sources. The training includes farm- and non-farm-based activities. Non-farm training includes vocational skills such as apparel making, nursing, khakhra making, sanitary napkin making, rubber sheet making, apiculture (honey making), mushroom cultivation, aqua culture, jackfruit processing, among others.

Through farm-based trainings, women are trained in improved farming and scientific agricultural practices. Basic training related to seed selection, soil testing, organic compost making, organic farming practices, among others, are delivered.

Livestock care management training is also delivered. This range from providing artificial insemination services at the farmer's doorstep to organising infertility camps and vaccination camps. Training is also given on disease management, ration balancing, clean milk production, among others.

Linkages with government and market

While programme Navya aims to provide livelihood opportunities to women, it also educates them about various government-run schemes. Beneficiaries are linked with various government schemes to have a multiplier effect.

In addition, the trained beneficiaries are further linked with the market and service sector for employment. As a result of this initiative, trained women have started their own businesses and are not only supporting their own families but also providing employment opportunities to other women of their villages.

The Company has partnered with the United Nations Children's Fund (UNICEF) Gujarat for providing maternal and childcare awareness to expecting and lactating mothers. UNICEF has trained the SHG women in awareness generation, and these women further pass on the information to other target women groups.

Another significant achievement has been the partnership with the National Bank for Agriculture and Rural Development (NABARD) for providing livelihood training and developing enterprise for rural women under Livelihood and Enterprise Development Programme (LEDP) in Baroda, India.

The Company believes in motivating the women beneficiaries further, and has continued its journey of 'Ek Naam...' campaign into its second edition to celebrate International Women's Day 2020. It partnered with the French Institute and felicitated eight change agents from across the country who have brought a positive difference to their community. These eight women worked for their own empowerment and livelihood generation. Further, they aligned with other women from their own or nearby villages and provided income opportunities to them or created the promise of such opportunities through the formation of SHGs.

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

During the reporting period, 3,160 women were reached and 2,035 received income generation training in farming and non-farming activities. Out of the total trained population, 1,938 women engaged in income generation activity. Further, the programme linked over 4,400 women and their families with various government schemes like Ujjawala Yojna, Deen Dayal Grameen Kaushalya Yojana, Deen Dayal Awas Yojna, among others. Over 8,000 SHG women were linked with Jan Dhan Yojna, Widow Pension Scheme, Gareeb Kalyan Yojna under COVID-19 relief support.

In addition to the programme Navya, the Company has provided livelihood support to male farmers by providing technical knowledge in improved farming practices and livestock care and management. The farmers received training in fodder management, seed selection, organic farming, cattle rearing and others. Farmers were also linked with government agricultural schemes. During the reporting year, over 800 male farmers were positively impacted.

ISSUE 6:
HEALTH

Apollo Tyres holds wellbeing of its stakeholder as a priority and links this with its vision of creating positive impact for them. The programme aims at increasing awareness on various health issues faced by truck drivers. This initiative is in line with UN SDG Goal 3, Good Health and Well-Being.

Due to the nature of their work, truck drivers have limited access to health services. The Company started its healthcare programme for them in the shipment hubs in 2001 to address their health needs and formed a comprehensive programme on healthcare focusing on prevention. The Company has 32 functional healthcare centres across 19 Indian states, which offer various services like prevention and awareness on HIV-AIDS, vision care, awareness of tuberculosis and detection of other non-communicable diseases such as diabetes and high blood pressure, and general treatment facility.

In extension to static healthcare centres, the Company also provides mobile alternatives through the Mobile Medical Unit (Apollo Tyres Healthcare Express) for providing healthcare facilities at the doorstep of the customers. A total of five mobile medical units are operational.

SERVICES UNDER HEALTHCARE PROGRAMME

HIV-AIDS AWARENESS AND PREVENTION

This is one of the biggest and most inclusive initiatives under the Company's CSR work. The truck drivers have a nomadic lifestyle, which makes them increasingly vulnerable to HIV-AIDS and Sexually Transmitted Infections (STIs). The Company recognises HIV-AIDS as a business and development issue.

The service provided under HIV Awareness and Prevention includes behaviour change communication (BCC), STI diagnosis and treatment, counselling, condom promotion, Integrated Counselling Testing Centre (ICTC) support and awareness through peer educators.

VISION CARE

Eye diseases or vision problems are an occupational hazard for truck drivers, and these invariably become a road safety issue. To address this, the Company has initiated vision testing facilities in its healthcare centres and is also organising periodic eye care camps. The key feature of this initiative is the distribution of low-cost spectacles to people identified with refractive error issues. Cataract patients are linked with nearby hospitals for further treatment.

During FY20, the Company organised a week-long campaign to observe International Sight Day. This was done in the transhipment hubs in partnership with Essilor Vision Foundation. Under the campaign, truck drivers with refractive error issues were given spectacles free of cost. A total of 17,828 people were screened, of whom 10,266 people were identified with refractive error issues and 7,134 pairs of spectacles were distributed for free. A total of 362 people were identified with cataract problem and referred to the nearby government hospital.

AWARENESS ON TUBERCULOSIS (TB)

TB is among the top 10 causes of death worldwide. In India, each year, ~2,20,000 deaths are reported due to TB. According to a global TB report of 2016, India has the highest burden of both TB and multi-drug resistance. The mobile population of truck drivers and helpers are at a higher risk of contracting the disease.

The Company started a focused TB intervention programme in technical partnership with The Union (US AIDS) for creating awareness related to TB. The healthcare centres provide services related to the disease, such as sputum testing and linking people found positive with the (DOTs) facility and conducting regular awareness sessions.

The programme has succeeded in establishing TB testing and Treatment Centre at Agra and Gwalior, respectively. It also extends support to the positive cases, long distance truck drivers by arranging TB medicine at their preferred location with the help of transport association and fleet owners. This facility helps in continuing the Directly Observed Treatment (DOT).

OTHER NON-COMMUNICABLE DISEASES

Due to the long working hours and poor lifestyle, truck drivers are vulnerable to diabetes and hypertension. Both the diseases were identified as significant risks for truck drivers in the daily outpatient data. In order to address the problem, the Company added testing facilities for both the risks. Diabetes screening and blood pressure check-ups are conducted across all the healthcare centres.

GENERAL HEALTHCARE AND TREATMENT

There are other generic treatment facilities provided at each healthcare centre such as fever, cough, cold, flu and other basic first aid care.

ORAL HYGIENE

Poor hygiene is a big problem amongst the trucking community due to various factors, especially bad oral hygiene, which is directly linked to heart disease. Poor dental health increases risk of a bacterial infection in the blood stream, which can affect the heart valves. In order to address the problem, the organisation started an integrated health camp focusing on oral hygiene. The

main aim of this service is to generate awareness on oral health and screening for oral cancer. At Delhi, the programme has linked up with the Rajiv Gandhi Cancer Hospital for this initiative.

During the reporting year, a total of 5,08,837 people were impacted from these awareness activities and 1,74,635 received treatment facility. A 8.8% increase was recorded in FY20 for people availing treatment services vis-à-vis the previous year. Out of the total people treated in the reporting year, 51,207 people opted for HIV testing, 1,231 TB tests were conducted, 73,928 for vision screening and 59,334 for diabetes testing were done. There was an increase of 26% for vision screening from previous year

OTHER LOCAL INITIATIVES

These are undertaken within 25-30 km radius of the manufacturing locations.

ROAD SAFETY

Road safety awareness sessions were conducted across Apollo Tyres APMEA plants. The main objective of this initiative was to promote safe driving, make people aware about road violations and preparing them to undertake basic first aid if needed, as drivers are the first respondents.

The programme was conducted in partnership with Maruti Driving School and the local Regional Transport Offices (RTOs). The initiative is targeted mainly at truck drivers, car users and students. This project also saw employee participation in engaging with the drivers and sensitising them on the Apollo Safety Absolute (a safety manual).

200 people benefited through classroom awareness sessions.

COMPUTER LITERACY

The computer literacy initiative aims to equip underprivileged students with skills, knowledge and capabilities the current IT infrastructure demands. The computer literacy project was rolled out in 2016 to provide basic computer education to government school students around the manufacturing unit in Chennai, India. The initiative has been implemented in neighbouring six villages of the plant. Under this initiative, a computer lab has been established in each school, along with teaching faculty for the students.

401 students benefited through this.

PHILANTHROPIC INITIATIVES

The Company supports the underprivileged and deprived communities by undertaking philanthropic initiatives through the Taru Foundation. The initiatives range from providing education support to underprivileged girls to providing healthcare facilities for rural people and distributing food items to eradicate hunger and poverty. During the year, the Foundation supported the education of 30 underprivileged girls. Under this programme, ~1,800 poor received healthcare facilities and over 500 destitute people received food on a monthly basis.

CONSUMER ISSUES

Customer centricity has always been critical to Apollo Tyres. It is part of the its value system as enshrined in the Apollo Way, a philosophy of life advocated for each employee. One of the values, 'Customer First' highlights the importance of the customer for each employee and the Company. Listening to customers to understand their requirements and identify efficient solutions has been one of the greatest strengths that has enabled sustained growth over the years.

In the tyre industry, beyond quality and a competitive price, quality of services also plays a key role in enhancing customer loyalty. In the evolving producer-to-consumer paradigm via the partner network, customers remain a key stakeholder. Customer loyalty begins with the quality of the products and is then impacted by the quality of services and the level of engagement. In line with the perspective, the Company has restructured its approach to customer relationship management around three broad themes - Transparent Communication, Customer Care and Timely Delivery of Service.

With reference to the ISO 26000 guideline, there are five issues identified in the Consumer Issues core subject as stated here, which are relevant to the Company's operations.

ISSUE 1:

FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION AND FAIR CONTRACTUAL PRACTICES

As a responsible corporate, Apollo Tyres uses advertising platforms consistent with its policies, and which do not mislead or confuse the consumers. It makes marketing and product information transparently available at dealer stores or digitally on online platforms. It provides complete, accurate and understandable information regarding product quality and performance.

Further, it also ensures fair contractual practices, which are consistent with applicable legal provisions.

ISSUE 2:

PROTECTING CONSUMERS' HEALTH AND SAFETY

Apollo Tyres lays strong emphasis on customer safety while designing its products. Safety is given top priority both during the manufacturing and usage phase of our product. It strives to provide its customers with a product that is safe, reliable and efficient and at the same time has minimum impact on environment. These are ensured through a combination of rigorous systems, procedures and by building a culture for safe operations and adhering to all applicable norms and standards. Its products are labelled giving sufficient information to the customers regarding the product safety enabling them to make informed decisions in addition to ensuring compliance with applicable rules and legislations.

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

ISSUE 3:
SUSTAINABLE CONSUMPTION

Apollo Tyres follows state-of-art and efficient manufacturing practices. The Passenger Car Radial (PCR) and Truck/Bus Radial (TBR) Tyres are designed to meet all the international norms and are duly certified to that effect. These tyres do not contain any conflict materials and all materials used for making these tyres are REACH compliant. Also, all the tyres are aligned to the requirements of End-of-Life Vehicle (ELV) norms.

During FY20, Apollo Tyres improved fuel efficiency of all TBR and PCR tyres and improved presence in new BS-VI vehicles and electric vehicles. During the year, the Company released new fuel efficiency series tyre called nRG series in TBR, which have ~25% lower rolling resistance than the standard product. This can reduce the fuel consumption of trucks by ~5-10% depending on vehicle configurations. Weight reduction has been a journey to reduce per tyre raw material consumption and also reduce the energy consumption in production process.

KEY INITIATIVES

Some of the improvements achieved in certain parameters in FY20 vis-à-vis FY19 are mentioned below.

- Steam consumed per kg of product (kg/kg): PCR – 3.1 % reduction
- Electricity consumed per kg of product (kWh/kg): PCR –3.2 % reduction
- Water consumed per kg of product (litre/kg): PCR - 0.5 % reduction
- Tyre weight of PCR tyres reduced by 5% progressively. Thus, consumption of hydrocarbon reduced corresponding to reduced carbon footprint per tyre.
- Silica based tyre production for PCR category increased by 200% in last years and reduced fossil fuel based reinforcing agent carbon black consumption.
- Recycled material usage expanded to many components beyond inner liner to reduce virgin material consumption by 7%.
- Nitrogen curing technology is developed to reduce the water consumption in both PCR and TBR products and it is being implemented in phase-wise manner in our new manufacturing facilities.

The rolling resistance of the PCR tyres were reduced through the year from 8 kg/T to 7 kg/T. This translates into reduction of rolling loss and reduced fuel consumption without compromise in any other performance parameters.

Re-treading of truck tyres is continuously being supported with more efficient techniques to provide extended life cycle of the tyre body material by 2-3 times, thus avoiding the need for frequent replacement.

Improvement of wear life for all PCR tyres beyond the 1 lakh km tyre ensures improved re-use of the non-consumable parts of the tyre for a longer period. Product failure rate reduced by ~15%, thus enhancing the application life of tyres and improved full usage of tyres till the end of life.

Apart from nRG series fuel efficient series in TBR, we are reducing the RRc of all major SKUs by ~10%, which can reduce the fuel consumption of vehicles.

ISSUE 4:
CONSUMER SERVICE, SUPPORT, AND COMPLAINT AND DISPUTE RESOLUTION

Customer complaints are a source of 'free' market research, where analysis of complaint themes can be used to better align our products/services to customers' interests and services. The function provides an important link between multiple departments, including sales, marketing, manufacturing and R&D, with its robust feedback from customers

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

Apollo Tyres constantly works towards improving its products. Regional Inspection Centres (RICs) set up across India carry out checks on returned products. The insights gained were shared with the manufacturing and R&D teams for improving quality of the products and minimising wastes.

KEY STRATEGIES

- Developing TBR leadership
- Educational drives on tyre care and maintenance (both urban and rural)
- Continuous improvements in Customer Satisfaction Index (CSI)
- Organising drive welfare camps
- Extending service support to rural customers

CUSTOMER ENGAGEMENT

Apollo Tyres continuously engages with its customers through different forums to get inputs and suggestions in order to serve them better. Some of these have been mentioned below.

Voice of market

Understanding customer feedback and touchpoints like fitter, re-treader, casing dealer and drivers, among others, is a critical input as it helps improve the performance. Further to meet the emerging customer requirements, Apollo Tyre's Customer Service team has initiated studies to capture assess satisfaction level, usage practices, product pain areas and new expectations on products and services. The Company identified key markets for few products covering truck, passenger vehicle, agri and light commercial vehicle categories with major preferred competition tyre brands as part of the studies.

Load and fitment studies

Load and fitment studies provide a comparative insight against peers on product parameters like fitment share, brand of choice, current loading trends, usage practices by customers on various tyre brands, and others. In the past, similar studies were conducted on quarterly basis keeping in mind dynamic market conditions. Since the market is dynamic, the studies were conducted every month at 11 key locations with truck, Light Commercial Vehicle (LCV), Small Commercial Vehicle (SCV) and Intermediate Commercial Vehicle (ICV) categories as major focus.

The Customer Service team gathered data of ~1 lakh tyre fitments from ~9,000 trucks every month. The collected data has provided inputs to work upon different strategies to increase the customer acceptance and usage of right products.

CPKM

The Company constantly endeavours to add value to the business of its customers. During the year, the Cost Per Kilo Metre (CPKM) initiative was started internally. The internal team was trained to spread education to end users on commercial value a tyre brings in their business.

CV Zone

The results of an education drive on tyre care and maintenance, particularly on vehicle alignment gaps, clearly indicated that there is an emerging customer requirement for Commercial Vehicle (CV) alignment centres. In response, the Company is building a network of Apollo CV Zones across transport hubs and on highways to cater to commercial segment operators. During FY20, the Company was successful in increasing its CV Zone footfall by 22%. It initiated the journey by offering best alignment services to customers and saw a rise of 28% in CV Zone service experience for the year. It is expanding its CV Zone centres to cater the need of truck wheel alignment. It has expanded its reach from 44 CV Zone in FY19 to 64 in FY20.

CUSTOMER SATISFACTION

Apollo Tyres gauges consumer feedback on its products and services on a regular basis through its dedicated Customer Service team and Apollo Customer Contact Centre.

Customer engagement in rural markets

Further increasing service landscape to rural areas, the Company initiated customer engagement programmes in villages across India. Engagement includes participation in local village festivals, helping farmers with Agronomist meets for their crop solutions, along with sharing the relevant product information and influencer meets to educate customers on tyre care and maintenance. It covered 187 villages in 12 states in India.

Bad road buddies activities

To further engage with its customers, Apollo Tyres has been engaging with car owners and bikers in India under Bad Road Buddies (BRB) by conducting various short distance driving events in various cities, along with a cause (plantation, plastic picking, plant watering, among others). The Company conducted 240 BRB across the country in major cities during FY20.

ISSUE 5:
EDUCATION AND AWARENESS

The Company is conscious about building awareness amongst customers in order to inculcate responsible behaviour and usage practices. It promotes initiatives and projects which seek to augment customer engagement, create awareness and customer retention by ensuring that customers are happy, safe and knowledgeable about the products.

The 360˚ service approach that connects with all the customer service touchpoints was further strengthened during the year.

CUSTOMISED SOLUTIONS TO PASSENGER VEHICLE (PV) COMMERCIAL FLEET OWNERS

The core purpose of this activity continues to engage PV commercial fleet owners and increase share of account by attaching taxi fleets with Apollo Tyres dealers. During the reporting period, the PV Forza team conducted 1,057 activities with PV commercial fleets across geographies in which various influencers/taxi fleet owners participated. The campaign was focused on customer engagement, product information and safety trainings. The campaigns were conducted with an objective to minimise operational tyre failures, help understand benefits of Amazer 4G Life, reduce operational costs, strengthen the Apollo brand, and thereby build the overall perpetual value. Entire engagement is planned through T-30 calendar.

THE ENVIRONMENT

Apollo Tyres considers the environment as a key stakeholder and works towards ensuring environment conscious operations. This approach has been developed under the framework of ISO 14001 - Environment Management System. This figures prominently in the sustainability strategy of the organisation. It is constantly working to reduce the environmental impact of its products and make its manufacturing process environmentally benign.

Environment consciousness is not limited to *'within the fence'* but is taken *'beyond the fence'* into the communities in the form of CSR programmes. These initiatives aim to promote and raise awareness among communities on environment conservation.

With reference to the ISO 26000 guideline, there are four issues identified in the Environment core subject as stated below.

ISSUE 1:
PREVENTION OF POLLUTION

Apollo Tyres strives towards improving its environmental performance by reducing pollution, including emissions reduction, water management, waste management, usage/disposal of toxic and hazardous chemicals and other identifiable forms of pollution.

Emission Reduction

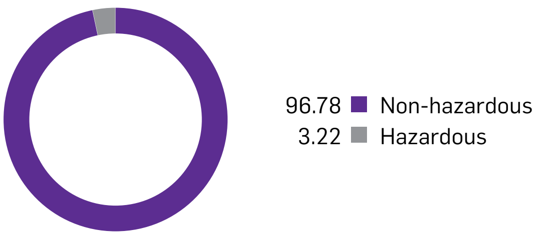
Manufacturing operations at Apollo Tyres use state-of-the-art technology to ensure cleaner operations.

Waste Management

Waste generated from the operations include hazardous and non-hazardous types in solid and liquid forms.

The total solid waste generated in the reporting period was **21,398 metric tonnes.**

BREAK-UP OF SOLID WASTES BY TYPE GENERATED, FY20 (%)



In the APMEA operations, 328 metric tonnes of hazardous and 15,127 metric tonnes of non-hazardous solid wastes were generated. The hazardous liquid waste generated was 116 kilo litres.

A total of 362 metric tonnes of hazardous and 5,581 metric tonnes of non-hazardous solid wastes were generated in the reporting period in Europe.

ISSUE 2:
SUSTAINABLE RESOURCE USE

The Company promotes sustainable use of resources like energy, fuels, water and raw materials in its manufacturing process.

ENERGY PERFORMANCE

Apollo Tyres utilises a mix of renewable and non-renewable fuel types to meet its energy requirements.

In its India operations, the main source of direct energy continues to be coal, followed by furnace oil. It has also invested in renewable energy like solar and wind power as direct energy sources. In its European operations, direct energy is sourced from natural gas.

Indirect energy sources in the Indian operations comprised grid electricity, along with wind energy. In Europe, electricity is the main source of indirect energy.

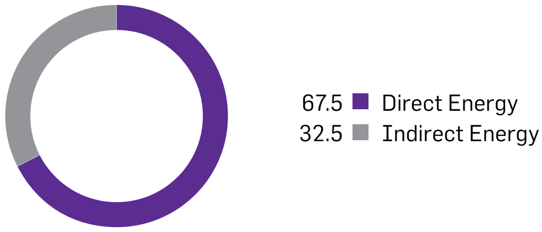
The total energy consumption (direct and indirect) for the reporting year was 5,382 TJ. The share of direct energy was 67.5% (3,633 TJ) and the balance was accounted by indirect energy (1,749 TJ).

The share of renewable energy in the total mix stood at 3.7%. During the reporting year, the Company's Limda and Chennai facilities' captive capacities for solar and wind energy added to the total renewable portfolio.

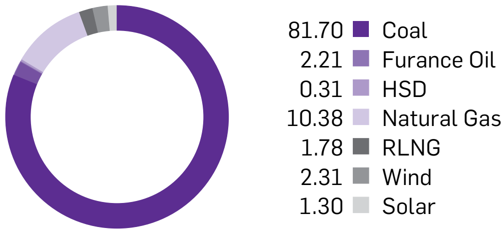
Energy Efficiency Initiatives

The Company has been continuously 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 which resulted in energy savings of 70,804 GJ.

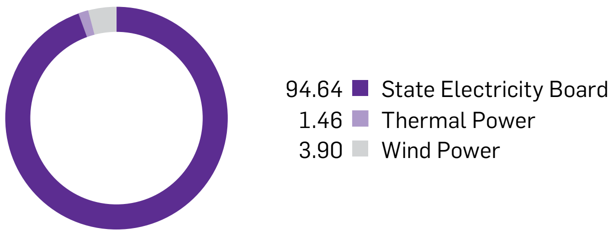
SHARE OF DIRECT AND INDIRECT ENERGY CONSUMED, FY20 (%)



BREAK-UP OF DIRECT ENERGY BY SOURCE, FY20 (%)



BREAK UP OF INDIRECT ENERGY BY SOURCE, FY20 (%)



ENERGY SAVED IN MANUFACTURING OPERATIONS FROM DIFFERENT LEVERS (IN GJ), FY20

Plants	Process design	Conversion and retrofitting equipment	Use of energy efficient equipment	Total energy saved
Limda	5,531	1,067	-	6,598
Chennai	46,175	12,444	216	58,835
Kalamassery	383	198	284	775
Perambra	2,137	1,165	153	3,455
Enschede	820	0	320	1,140
Total energy saved	**55,047**	**14,783**	**973**	**70,804**

WATER SOURCING AND MANAGEMENT

The primary source of water at the operations is surface water, which accounted for 97% of total water consumption during FY20. Other sources included groundwater and municipal water.

TOTAL ANNUAL WATER WITHDRAWAL (IN M³), FY20

Perambra	Kalamassery	Limda
5,51,545	2,16,278	6,53,980
Chennai	**Enschede**	**Gyöngyöshalász**
4,73,180	40,59,220	68,163

Total annual water withdrawal **60,22,366**

■ Annual water withdrawal ■ Plant

Key Initiatives

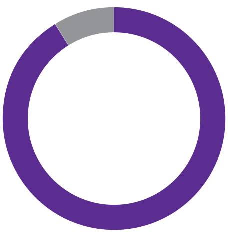
The APMEA operations carried out several initiatives to conserve water during the reporting year. These included:

- Excess hot water from the process is recovered and sent to Effluent Treatment Plant (ETP)
- Replacement of leaky/damaged hydraulic water lines in tyre curing area
- Curing trench water quality improvement for reuse in process water
- Ultrafiltration unit provision to treat ETP final water for reusing as plant soft water.

The total recycled or reused water was 7,31,569 m³, which was 12.15% of total annual water withdrawal.

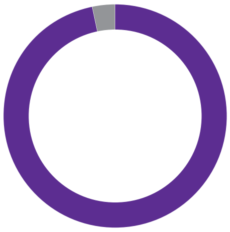
In the APMEA operations, the total annual water withdrawn was 18,94,983 m³, of which 7,31,569 m³ (38.61%) was recycled or reused.

SHARE OF WATER WITHDRAWAL BY SOURCE IN APMEA OPERATIONS, FY20 (%)



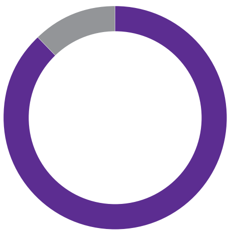
97.29 ■ Safe Water
2.71 ■ Ground Water

SHARE OF WATER WITHDRAWAL BY SOURCE IN EUROPE OPERATIONS, FY20(%)



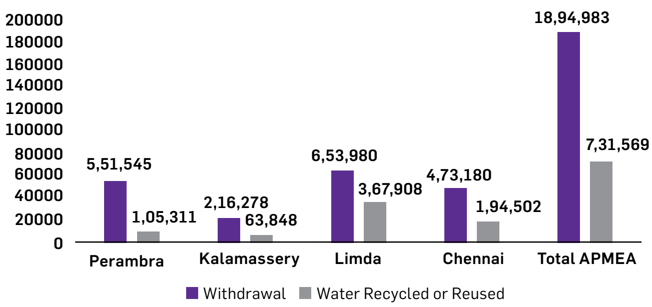
96.91 ■ Safe Water
3.09 ■ Municipal Water Supplies

BREAK-UP OF TOTAL WATER USAGE IN TERMS OF RECYCLED WATER AND FRESHWATER WITHDRAWAL, FY20 (%)



87.85 ■ Withdrawal
12.15 ■ Recycled

WATER RECYCLE, APMEA OPERATIONS (IN M³), FY20

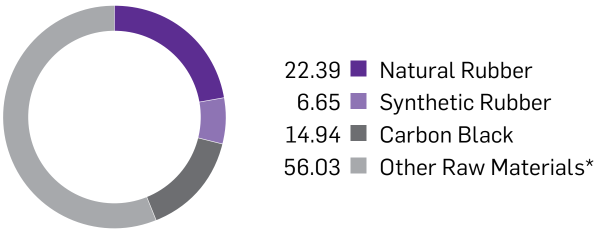


RAW MATERIAL SOURCING AND MANAGEMENT

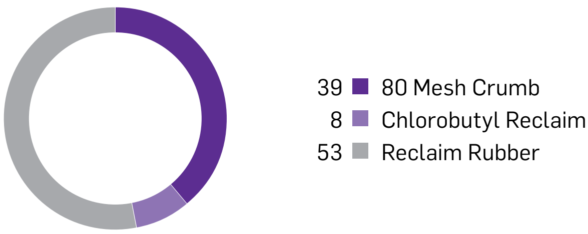
The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. In the reporting period, these three components accounted for 45.4% of our total raw material consumption.

The total raw material consumed across all operations was **8,32,564** metric tonnes. The total recycled material was **6,341** metric tonnes. In the APMEA operations, the total raw materials consumed was **7,56,507** metric tonnes and the total recycled material was **5,758** metric tonnes. In Europe operations, the total raw materials consumed was **76,057** metric tonnes and the total recycled material was **583** metric tonnes.

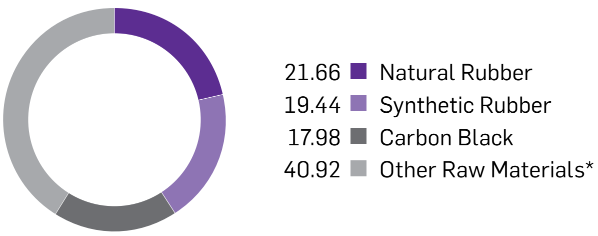
SHARE OF RAW MATERIAL CONSUMED IN APMEA OPERATIONS, FY20 (%)



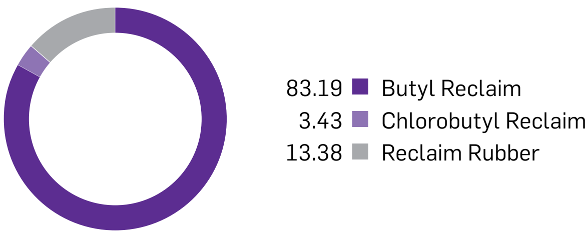
BREAK UP OF RECYCLED RAW MATERIALS BY TYPE IN APMEA OPERATIONS, FY20 (%)



SHARE OF RAW MATERIAL CONSUMED IN EUROPE OPERATIONS, FY20 (%)



BREAK UP OF RECYCLED RAW MATERIALS BY TYPE IN EUROPE OPERATIONS, FY20 (%)



*Other raw materials include associated process materials. In APMEA, it also includes steam used in Limda, Gujarat.

ISSUE 3:

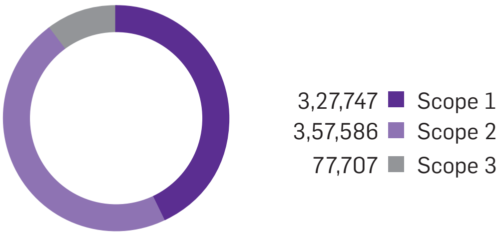
CLIMATE CHANGE MITIGATION AND ADAPTATION

As a responsible corporate citizen, Apollo Tyres has been measuring and monitoring its carbon footprint. To promote a climate conscious manufacturing set up, the Company has invested in renewable energy as well as various energy saving initiatives.

GREEN HOUSE GAS (GHG) EMISSIONS

At present, the operations mostly depend on non-renewable energy sources. However, it has invested in renewable energy to reduce the GHG footprint.

CARBON EMISSION PROFILE (In CO_2eq) FY20



ISSUE 4:

PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

During the reporting period, as part of the Company's environment programme HabitAt Apollo, several activities were carried out within the plants to enhance biodiversity.

At Kalamassery plant, the activities included maintaining the existing theme gardens such as butterfly garden, snake repellent plant belt and 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. The Company also has an organic farming project within the plant premises in Limda, Gujarat.

COMMUNITY INITIATIVES ON ENVIRONMENT CONSERVATION

The Company promotes eco-conscious behaviour amongst its communities and works closely with them on subjects of environmental conservation as a part of its CSR mandate. These efforts have been detailed below aligned to the respective Environment Issue as per ISO 26000 standard.

ISSUE 1:
PREVENTION OF POLLUTION

Aligning with national agenda 'Swachh Bharat Abhiyan', the Company has started solid waste management and Sanitation programme (SPARSH) in 2013.

SPARSH stands for: **S** – Segregate waste; **P** – Practise composting; **A** – Awareness generation; **R** – Reduce, reuse & recycle; **S** – Safe sanitation; **H** – Hygiene for all.

The strategy of SPARSH remains focused on engaging with the Company's stakeholders to create awareness on the 3Rs, namely, reduce, reuse and recycle.

There are four projects under SPARSH: Clean My Transport Nagar (CMTN), Clean my Village (CMV), Sanitation Management and End-of-Life Tyre (ELT) playground.

Apollo Tyres started the initiatives CMTN and CMV with the objective to improve the waste management and cleanliness of identified trans-shipment hubs and villages in India. CMTN caters to the needs of customers in transport hubs and CMV targets communities around its manufacturing locations. The key features of the initiative include door-to-door waste collection, cleaning of roads/lanes, segregation of waste, composting from wet waste and awareness generation. The ownership of the community has steadily increased over the years.

During the reporting year, 13,378 people were reached with door-to-door waste collection activities and 13,310 people were reached out from awareness activities. Out of a total of 1,713.3 metric tonnes waste collected, 8% was biodegradable. The collected waste is managed scientifically to produce value added products like compost and upcycled items like paper mache products, plastic derived tiles and incense sticks from floral waste.

Further to promote total sanitation programme, the Company has also constructed 122 toilets with bathing space for the underprivileged communities around the Chennai manufacturing location. ~488 people directly benefited from the newly constructed toilets.

Another important initiative under this category is construction of End-of-Life Tyre (ELT) spaces. During the reporting year, to promote recycling of waste, the Company constructed two playgrounds made from ELT at different locations.

ISSUE 2:
SUSTAINABLE RESOURCE USE

Water crisis has been identified as a key area for intervention, due to it featuring in the top 5 global risks. Population explosion, urbanisation, industrial development and climate change impacts have increased the demand for water. Enhancement of water availability is identified as a key initiative under the environmental sustainability journey.

Access to purified drinking water: Apollo Tyres has set up an RO drinking water plant at Orgadam village, Chennai. Through this initiative beneficiaries have access to purified drinking water. Around 580 households and over 2,500 people are availing the drinking water facility. During the reporting year, 4,17,012 litres of water was dispensed through the RO plant.

Eco restoration of ponds: Apollo Tyres has mapped the condition of water bodies through research study in the communities around the manufacturing locations. Based on the findings, the Company has restored few ponds in Chennai, Limda and Perambra locations. The main objective of this initiative is to improve the condition of water bodies, restoring and enhancing the aqua biodiversity. Total 10 ponds have been restored through pond deepening, desilting, bunding and maintenance activity.

ISSUE 3:
CLIMATE CHANGE MITIGATION AND ADAPTATION

The organisation has also contributed towards mitigation of climate change with the help of projects like usage of biogas units and afforestation, whereby it planted a total of 350,000 teak and red sandalwood trees in Tamil Nadu for emission reduction. As per estimation, over 17,500 tonnes of CO_2 have been sequestered from these trees.

TIST

Congratulations!

APOLLO TYRES LIMITED

6th Floor, Cherupushpam Building, Shanmugham Road, Kochi, Kerala, - 682031

for planting trees through TIST Program, a Program which goes beyond mere 'Sustainability' by enabling the current generation of farmers to meet its need in a way that enhances the ability of future generation to meet their needs

**APOLLO TYRES LIMITED HAS PLANTED 350,000 TREES.
TREES HAVE SEQUESTERED OVER 17,500 TONNES OF CO2**

TIST empowers Small Groups of subsistence farmers in countries such as Tanzania, Kenya, Uganda, and India to reverse the devastating effects of deforestation, drought, and famine. Since 2003, TIST participants in Tamil Nadu (India) have been identifying local sustainable development goals that include tree planting and sustainable agriculture. TIST creates a communication and administrative structure that also address health (including HIV/AIDS), education and nutrition. TIST expects to provide long-term revenue for the Small Group participants through the sale of greenhouse gas credits (GhG).

Ben Henneka
Founder – TIST India

March 31, 2020. Chennai 75
Date and Place

Utilisation of biogas: In Limda, Gujarat, Apollo Tyres is working on biogas utilisation as a mainstream cooking fuel in the villages. The women have already started realising the benefits as this has freed them from long walk to fetch wood and save time as well. That available time is invested in income generation or to spending with the family. Apart from providing an eco-friendly alternative source of energy, the programme offers additional benefits of organic manure from slurry, utilisation of cow dung (which is a solid waste) and savings accruing from fuel replacement from LPG to biogas.

ISSUE 4:

PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

Biodiversity conservation is a global initiative for Apollo Tyres, wherein projects are undertaken in India, Hungary and the Netherlands. In India, mangrove conservation is a key initiative and implemented in Kannur district, Kerala. This initiative aims to conserve the mangrove with the focus on restoration of endangered mangrove species.

The actual site of the mangrove conservation project is in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. The organisation has partnered with Wildlife Trust of India (WTI) for the implementation of the project.

It engages with youth, local community, researchers, local bodies and policy enforcement personnel for awareness generation. As a part of the mangrove restoration activities, over 5,000 mangroves saplings were planted in ~6 acres. The programme also developed draft mangrove conservation action plan for three panchayats of Kannur district and engaged with five local colleges for conducting research.

The programme organised an interstate Environment and Nature Quiz for college students from Kerala, Tamil Nadu and Andhra Pradesh. The objective was to create awareness on mangrove, environment and nature conservation. Photo exhibition and nature camp activities were also organised for sensitising community about mangrove conservation. During the reporting year, over 37,000 people were reached from various awareness activities.

Initiatives in Europe: In its endeavour to conserve and promote biodiversity in the vicinity of the factory in Enschede, Apollo Tyres is working on the Stadsbeek project. The objective of this project is to address issues related to rainwater and groundwater and improve the living environment. It involves digging of a 'Stadsbeek' or city creek, from Bruggertstraat to the Volkspark in the Netherlands. A monitoring and evaluation mechanism has been set up to keep track of the project. The latest assessment shows a positive increase in the insect population in the converted routes.

INNOVATION

In the sustainable mobility space, innovation has been a major component catering to differing demands of the future as well as shaping consumer behaviour for better utilisation of current technologies. Apollo Tyres invests significantly into R&D with an aim to cater to these needs. The R&D work focuses on driving sustainable consumption, improving safety for customers as well as the use of material with an approach to minimise the environmental footprint.

USE OF RECYCLED MATERIAL

Rising numbers of End-of-Life tyres (ELT) that are generated each year globally is a major challenge. To address this, the R&D works to effectively utilise materials recovered from ELT such as crumb and reclaimed rubber in the products as a partial replacement of virgin fossil fuel-based rubbers. Crumb rubber is recycled rubber produced from used tyres, thereby reducing the impact of waste tyres on the environment. Evaluation phase in several categories is in progress with an approximate cost saving of ₹1.7 millions in FY20. As an objective of using recycled/reprocessed material in tyres, the Company had initiated specific projects targeting tread, inner liner and ply insulating compounds. This has resulted in ~5% use of recycle material of the total weight of compound used in tyres. As a continuation of this, enhanced use of recycled material was planned in tread compound, which forms a major chunk of product weight by percentage.

Additionally, the Company has achieved a reduction of 10% in non-recyclable waste material in terms of product weight. This has been done without compromising on critical performance parameters like durability and structural integrity.

REDUCTION IN ROLLING RESISTANCE

As a strategy to drive sustainable consumption and possible reduction in GHG impact due to improved fuel use efficiency, the Company strives to reduce the Rolling Resistance (RR) in tyres. Compounds are designed for lowering RR by deploying new generation material such as functionalised fifth generation solution Styrene-Butadiene Rubber (SBR), surface modified silica, advanced coupling agents and dispersing agents. The utilisation of new low-gauge, ultra-high tensile steel wires and super tensile fabric reduces the overall weight of the tyre and thus the rolling resistance. Customised raw materials like surface modified carbon blacks, are developed for better tyre performance and life. The Company aims to increase the tyre life by employing high mileage compounds for the benefit of the customers.

CLIMATE ADAPTION THROUGH ENERGY CONSERVATION

Various measures are adopted in the manufacturing process to make it energy efficient. The energy thus saved has a direct correlation with the decrease in GHG emissions.

KEY IMPROVEMENTS

- Master mixing stage reduction directly improves the efficiency of mixers. Savings are realised from cycle time reduction by 15% over conventional mixing.
- By increasing the line speed, productivity is increased by 10%.
- In the tyre assembly stage, usage of pre-assembled tyre components increased productivity by 6.5%.
- In the tyre curing area, weighted average cure cycle is reduced by 1%, thereby saving energy.

REDUCTION IN MICROPLASTICS

Microplastics, fragments of plastic that are less than 5 mm in length, as per some global definitions, is said to be a source of pollution. The wear and tear from tyres constitute a significant global source of microplastics in the environment. With the objective of reducing generation of microplastics, Apollo Tyres has developed new high mileage tyre with the latest radial technology of zero-degree steel belt in the commuter segment for the replacement of current bias segment. The initial controlled evaluation shows a mileage improvement of ~89% compared with conventional technology tyres. The tyres additionally also exhibit very good anti-skid properties at different road and riding conditions.

IMPROVED SAFETY

Apollo Tyres has developed sport touring tyres for the high-power motorcycle segment. Being a high-speed application, key emphasis was given for both dry and wet grip with very good stability on braking, especially on track and motorway. It has been tested at different proving grounds both in India and Europe and performance of these tyres were at par or better than leading available products. The basic technology used for achieving superior wet handling and wet braking performance is silica filler-based technology and many design tuning tools could be used for perfecting and optimising the performance. This endeavour was noted and highly appreciated by leading motorcycle magazines in Europe and USA.

TYRE HEALTH MONITORING SYSTEMS

Tyre durability plays an important role in human and vehicle safety. Tyre health monitoring system are sets of sensors which extract tyre data in dynamic conditions and are available to the driver.

The data received for normal and damaged tyre behaviours can act as an early warning system to avoid the loss of property and are life. One such system is the Tyre Pressure Monitoring System (TPMS). The purpose of the TPMS in the vehicle is to warn the driver about the under-inflation in one or more tyres. The TPMS system can detect leakage of pressure and give real-time temperature inside the tyre, which possibly would avoid creating unsafe driving conditions. The TPMS system brings significant benefits in terms of fuel efficiency, extended tyre life, improved safety and environmentally beneficial. The TPMS contains different electronic components, which makes it capable in providing real-time information on tyres to the user. This data is analysed, interpreted and the results are transmitted directly to the dashboard for the driver. It is also displayed in Android App and iOS App and even in web portal. Each sensor has a unique serial number, which allows the system to distinguish between itself and systems on other vehicles, but also among pressure readings for each individual tyre.

COMPLIANCE WITH GLOBAL REGULATIONS

Apollo Tyres is geared up to meet all existing and future tyre labelling requirements, as and where applicable. For instance, AIS 142 is a regulation on Star Rating for tyres, which will give consumers more information on fuel efficiency and safety allowing them to obtain accurate, relevant and comparable information on those aspects when purchasing tyres. This will help improve the effectiveness of the tyre labelling scheme so as to ensure efficient and safer vehicles and to maximise the contribution to the decarbonisation of the transport sector.

In support to OEM customers for complying with the law on conflict minerals, the Company has enabled the supply chain system for traceability of origin of these minerals supplied to downstream supplier, up to the smelter levels and mines and the same is periodically updated and reported to the OEMs. Further compliance to other chemical restrictions like Substances of Concern (SOCs), Persistent Organic Pollutants (POPs) and Perfluorooctanoic Acid (PFOA) are strictly adhered to.

INDUSTRY ACADEMIA COLLABORATION

Apollo Tyres believes that learning is a continuous process and always encourages employees to acquire knowledge in different ways. It is a great honour that Apollo Tyres Global R&D centre – Asia has been recognised as the 'Centre for Research' by Anna University, Chennai, ranked 8th by the National Institute Ranking Framework of India. Apollo Tyres has also sponsored doctoral students at various Indian Institutes of Technology (IITs), Birla Institute of Technology and Science (BITS), and others. Further, Apollo R&D also interacts with Tokyo University for sponsored projects.

WAY FORWARD

In its journey ahead, Apollo Tyres is further investing in aligning its practices with ISO 26000 to build business resilience on principles of sustainability.

As a forward-looking organisation, there is a significant emphasis on creating platforms where sustainability agenda holds a pivotal place and an integral part of Corporate Governance. This is reflective in its future course of actions that encompasses core theme such as climate adaptation with an outlook to reduce **carbon** emissions and promote green supply chains. Further, the Company continues its endeavors to **build societal value** through direct positive impact, for business partners and stakeholders by adding prosperity into their lives. These efforts are in the direction to make Apollo Tyres future ready.

We believe in setting benchmarks through our exemplary work in the sector and are on a trajectory curve to champion the cause of sustainability.

In these unprecedented times, where the world is grappling with the outbreak of the pandemic, the Company continues its efforts to mainstream its focus on Environment, Social and Governance (ESG) indicators. **The decade of 2020 would set a harbinger of change, embarking on a journey of climate action, and setting a precedence for industry peers.**

apollo TYRES

LIFT YOUR PRODUCTIVITY

APOLLO FORKLIFT TYRE

MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Landscape

INDIAN ECONOMY

India's economy began on a strong footing for the Financial Year 2019-20 (FY20). FY19 had closed registering a growth of 6.1% and there were clear expectations that the economic powerhouse would have a higher GDP growth rate for FY20. However, as the year progressed, it was evident that the forecast was far removed from the realities faced by the country.

The year began in the middle of the general elections and saw a lull in economic activity during its first quarter. While the liquidity crisis in the Non-Banking Financial Companies (NBFCs) had been brewing for some time, it aggravated during the year and led to the choking of credit flow in the economy, especially to the Micro, Small and Medium Enterprises (MSMEs) sector. Along with corporate and environmental regulatory uncertainty and poor consumer sentiment, the International Monetary Fund (IMF) and other rating agencies downgraded the growth rate for the year and pegged it around 5.8%. To tackle the evident slowdown, the Reserve Bank of India (RBI) eased policy and the Government of India widened budget deficit goals to spur economic growth.

There were incipient signs of recovery in the third quarter of the financial year. However, the fourth quarter witnessed headwinds in the form of the COVID-19 outbreak and the subsequent nation-wide lockdown. Data released by the Central Statistics Office showed that the GDP growth for FY20 now stands at 4.2%, compared to a 6.1% in FY19.

4.2%

GDP growth in FY20

India's growth (%)

FY20	**4.2**
FY19	6.1
FY18	7.2
FY17	8.2
FY16	8.0

Source: Second Advance Estimates of National Income, 2019-20, Ministry of Statistics & Programme Implementation; Economic Survey of India 2019-20.

Auto Sector

FY20 is not a year the auto segment is likely to forget soon. The sector has been facing a long slowdown, with the unit growth in FY19 being largely led by the high-volume three-wheeler and two-wheeler categories, which grew 49% and 16.5%, respectively, over the previous year. However, for FY20, all the key categories were in the negative growth zone.

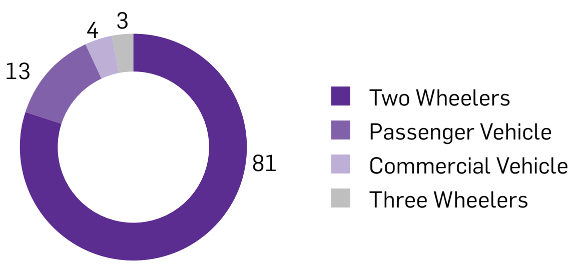
Passenger Vehicles (PV) closed the financial year with sale of 2.8 million units compared to 3.4 million units in FY19, down by 17.8%. Commercial Vehicles (CV) sales were down by a whopping 28.8% to close the year with sale of ~0.72 million units. The growth leaders for the industry, three-wheelers and two-wheelers, also posted negative growth of 9.2% and 17.7%, respectively for the year.

The auto industry has been in need of a boost since the beginning of FY20. Without any stimulus, along with poor consumer sentiment, increased cost of ownership due to higher insurance cost; higher financing cost due to the NBFC liquidity crisis; no relief on high GST; increased vehicle prices due to the BS-VI upgrade only added to the woes of the industry. Consequently, overall industry sales fell 18%.

Domestic auto sales, FY20 (million units)

2W	17.42
PV	2.77
CV	0.72
3W	0.64

Segment-wise share in domestic auto sales, FY20 (%)



Source: Society of Indian Automobile Manufacturers (SIAM)

Tyre Segment

Since FY09, the tyre industry has been growing at a CAGR of 7%. It had de-grown only during FY13. However, FY20 seems to be a repeat of FY13, as the numbers from Automotive Tyre Manufacturers Association (ATMA) indicate. According to the data released by ATMA for 11 months, the industry shows an overall decline of ~6% compared to the 11-month numbers of FY19. This is no surprise as the industry's fortunes are closely linked to those of the auto sector and the overall economic development.

In terms of key segments, demand for the Medium & Heavy Commercial Vehicle (M&HCV) segment tyres dropped by 12% even though it had seen a stellar growth of 16% for FY19. The other major segment, PV, posted a drop of 3% for the year.

Total tyre production (million units)

FY20	**176.80**
FY19	191.98
FY18	177.67
FY17	166.94
FY16	152.03

Segment-wise share in tyre sales, FY20* (units)

Motorcycle	65,648
Scooter (3W)	6,760
Scooter (2W)	27,357
LCV/SCV	11,175
PV	40,721
M&HCV (T&B)	17,966

*Industry figures

EUROPEAN ECONOMY

During the Calendar Year 2018 (CY18), the European Union (EU) recorded a GDP growth of 1.9% even as it slowed compared to the previous years. CY19 saw the growth further slipping to 1.2% on the back of falling demand, persistent global trade tensions, uncertainties over Brexit and other issues. During this time, almost a quarter of the EU's GDP (24.7%) was generated by Germany, followed by France (17.4%) and Italy (12.8%), ahead of Spain (8.9%) and the Netherlands (5.8%). Further countries like Germany and Italy were hit the hardest given their reliance on exports. The year saw the UK formally leaving the EU but uncertainties on the future relationship continued.

Auto Sector

According to European Automobile Manufacturer Association (EAMA), CY19 saw a growth of 1.2% in new car registrations across the EU, with unit sales of more than 15.3 million, marking the sixth consecutive year of growth. While the year started on weak footing due to the lasting impact of the introduction of the world harmonised light-duty vehicles test procedure in September 2018. However, the big surge came in the final quarter of CY19, and especially in December which pushed the full-year performance of the EU market into a positive zone.

Germany with a 5% growth continued to lead the EU market in terms of new-car registration followed by France (1.9%) and Italy (0.3%). By contrast, both Spain (-4.8%) and the UK (-2.4%) observed demand for new cars fall in CY19.

Similarly, EAMA data for CVs mentions that the market expanded by 2.5%, marking the seventh consecutive year of growth. Each of the major markets ended the year on a positive note – Germany (6.1%), France (4.3%), the UK (3.0%), Italy (1.9%) and Spain (0.3%).

7th

Consecutive year of growth for the CV market in Europe

Tyre Segment

For CY19, the tyre industry performed poorly in the EU, according to data from the European Tyre and Rubber Manufacturers' Association (ETRMA). Barring the motorbike and scooter tyres recording a 2% rise and replacement truck tyres with a flat growth, all other tyre segments were in the negative zone for the year.

Agricultural tyre sales performed poorly for the sixth year in a row and dipped by 6% vis-à-vis the previous year. This was largely due to the extreme drought resulting in poor harvest and low financial returns for farmers. Also, expectation of stricter regulations for the farming industry in relation to climate change policies and uncertainties around it further dampened consumer sentiments for investment into new equipment and tyres.

PV tyres also performed poorly during CY19 and replacement consumer tyres fell by 3%. Despite the growth in new car registration of 1.2%, tyre sales to OEMs declined by 5%. Both categories, Summer and Winter tyres, showed a negative growth of 7% and 6%, respectively during CY19.

INDUSTRY SCENARIO

India

The tyre industry is directly dependent on the business from the Original Equipment Manufacturers (OEMs) and the replacement market. With the auto sector in a limbo during FY20, the tyre industry was directly impacted as sales to OEMs reduced drastically. However, the replacement market helped recoup some of these losses, with the CV space witnessing a greater utilisation of existing assets and increased sale of replacement tyres.

According to ATMA data, replacement sales for M&HCV accounted for 72% of its total domestic production, among the highest in all categories. The category saw good demand in the replacement market post monsoon till the arrival of COVID-19 and the subsequent lockdown. During FY20, imports continued to fall with sustained imposition of anti-dumping duty.

India's tyre industry was helped to a certain extent by the falling materials costs of some of its key raw materials. These raw material prices declined by ~5% in FY20 over the previous year, aided by a drop in carbon black, synthetic rubber, nylon fabric and chemicals prices. However, the domestic natural rubber prices saw an increase of ~7% during the same period. The domestic supplies were partially impacted during FY20 due to erratic weather pattern. Prices for the imported natural rubber witnessed a spike in the second half of the financial year. Reduced production and supplies from Indonesia and Thailand due to the onset of fungal leaf disease were the key factors for this. India continued to witness the inverted duty on natural rubber during the year.

Europe

While the performance for the European tyre industry was weak, it continued to evolve. The year saw instances of industry players driving initiatives to integrate manufacturing and trade in an attempt to reduce their dependence on independent tyre distributors in Europe.

In terms of categories, in the PV segment, the All-Season segment continued to outperform the other segments (Winter and Summer tyres) and posted a double-digit rise over the previous year. The growth in the segment is also bringing in an increasing number of players, resulting in pricing pressure. Another segment which showed positive trend was the Ultra-High Performance (UHP) segment and it witnessed a high single-digit expansion.

The imports of PV tyres from outside Europe continued to post strong growth during the year and continued to gain market share. The share of UHP and Winter tyres in imports is increasing. While anti-dumping duties have been imposed on Chinese imports of truck tyres, these have been partly replaced by imports from other countries, particularly South East Asia and Korea. Imports from the Association of Southeast Asian Nations (ASEAN countries) grew by 215% in CY18 and by 170% in CY19 and from South Korea by 117% in CY18 and 7% in CY19.

The impact of COVID-19 is already being felt across the auto and tyre industries. According to ETRMA data for March 2020, replacement passenger vehicle tyres sales declined by 26% and by 15% for both agricultural and CV tyres.

72%

M&HCV replacement sales of its total domestic production

SCOT ANALYSIS

Strengths	Challenges
• Wide geographic footprint • Full-range tyre player • Brand architecture • Distribution muscle • Diverse and experienced leadership • Robust R&D infrastructure • Enduring associations	• Margin erosion • Market penetration • Financial stress
Opportunities	**Threats**
• Two-wheeler tyre segment • Greenfield manufacturing base • European market • New geographies • New segments • Distribution expansion • Anti-dumping	• Macroeconomic environment • COVID-19 • Volatile exchange rates • Price competition • Integrated distribution • Capital-intensive operations

Strengths

- **Wide geographic footprint:** 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 ASEAN and North America.

- **Full-range tyre player:** With its entry 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 and Europe.

- **Brand architecture:** The Company is powered by strong product brands in its key markets – Apollo and Vredestein. In India, the Company is a leading brand in the CV segment, which accounts for the bulk of the industry's revenue. The Company is best positioned to maintain its leadership position in the truck radial segment and drive growth through the same. In Europe, the Company's brand, Vredestein has a heritage of over 110 years and an established presence and enjoys a reasonable premium positioning, especially in Winter and All-Season segments. Vredestein has been named All-Season Manufacturer of the Year by German automobile magazine, Auto Bild. 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. Further, increased spending on building the corporate brand is starting to make Apollo Tyres a stronger brand in India and a recognised one globally.

- **Distribution muscle:** Apollo Tyres enjoys an extensive distribution network for its products across its two key markets – India and Europe.

- **Diverse and experienced leadership:** The Company has a global and culturally diversified Management Team driving growth across geographies.

- **Robust R&D infrastructure:** The Company's Research & Development (R&D) facilities for PV and CV tyres will play a key role in bringing cutting-edge technology and innovation to drive its growth.

- **Enduring associations:** The Company has long established relationships with global OEM manufacturers, present in India, and has forayed into the premium OEM segments in India. Further, the Company is aggressively pursuing its strategy of building OEM relationships in Europe and has seen few initial wins.

Challenges

- **Margin erosion:** In a rapidly rising raw material cost scenario, the Company may be unable to pass on cost escalations to consumers, in a timely fashion, due to intense competition and various market dynamics resulting in pressure on margins.

- **Market penetration:** The Company will need special focus on the Summer Segment to improve its footprint in Europe to supersede competition in a non-growing market. OEM homologations are needed to develop the necessary acceptance in the markets, accompanied by good test results compared to other premium manufacturers. Summer tyres are the pinnacle of the UHP strategy, as summer sizes lead the conversion into higher dimensions in Winter and All Season.

- **Financial stress:** Europe operations have been under financial strain with a weak market scenario coupled with pricing pressures and our own internal situation of a higher cost plant in western Europe and a ramping up plant in Central-Eastern Europe.

Opportunities

- **Two-wheeler tyre segment:** In India, the Company's two-wheeler tyre product has been widely accepted by the market and there are prospects of scaling the market share in a fast-growing and profitable segment. The Company plans to introduce the products in Europe and other parts of the world to drive further growth.

- **Greenfield manufacturing base:** The Company's highly automated state-of-the-art greenfield plant in Hungary is now operational and it is well-positioned to grow in the European market as it provides a cost-competitive manufacturing base in the region.

- **European market:** The Company has started deliveries to European OEM manufacturers endorsing the premium position of its Vredestein brand. Also, 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.

- **New geographies:** The Company still needs to establish a larger presence in new growing geographies to reach an economically viable operation size. The Company continues to increase its focus on new geographies such as North America and in regions where it has already made some inroads, such as in ASEAN countries and the Middle East. These geographies will be the growth avenues for future.
- **New segments:** In India, the Company has a healthy lead over its competition in terms of capacity and market share in the Truck Bus Radial (TBR) segment. This implies robust growth prospects with increasing radialisation. In Europe, the Company has launched TBR tyres in Europe, which will further enhance revenue and market presence. Growth prospects exist in the premium segment of PV (17" and above) in all product segments (Summer/All Season/Winter).
- **Distribution expansion:** The Company continues to have a focused approach on increasing its sales channels and distribution expansion.
- **Anti-dumping:** Anti-dumping measures in EU against Chinese imports will support to expand Apollo Tyres' TBR footprint.

Threats

- **Macroeconomic environment:** Economic downturn or slowdown in the key markets (India and Europe) can lead to decreased volumes and capacity utilisation. Further, economic and global political instability and the trade war between China and the US can impact business in Europe.
- **COVID-19:** A prolonged lockdown due to COVID-19 in many parts where the Company operates can have a significant impact on its business. Further, the coming year will have one large investment on stream. There would be pressure on margins as the utilisations ramp up gradually and the Company faces reduced demand due to the pandemic.
- **Volatile exchange rates:** A weak Indian currency can result in pressure on margins since the Company is a net importer.
- **Price competition:** A growing influence of budget tyres, mainly Tier-2 and Tier-3 brands from established manufacturers, could further impact business, particularly in Europe.
- **Integrated distribution:** 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 (vertical and horizontal integration).
- **Capital-intensive operations:** High capital intensity resulting in regular need of large capex for growth putting pressure on free cash flow.

SEGMENT-WISE PERFORMANCE

The Company continued to focus on its key regions – APMEA (Asia Pacific (including India), the Middle East and Africa) and Europe. Also, it continued to build its presence in the Americas with product releases and seeding the market.

During FY20, the APMEA operation continued its focus on key themes for India's market - consolidating its leadership position and expanding market share by introducing new products across segments. The Vision 2020 for the India business aims at building leadership in multiple segments of the industry. Committed investments in R&D and brand building continued to fuel the growth journey of the region to attain its vision. The region has seen continued OEM approvals with high satisfaction as well as increased customer acknowledgements. For other countries in the APMEA region, the Company continued seeding the markets with country-specific products, building brand salience and expanding distribution networks.

Commercial Vehicles

Apollo Tyres continued to consolidate its leadership in the CV segment. In the M&HCV category, the Company's R&D and manufacturing worked hand-in-hand to launch tyres for both Truck Bus Bias (TBB) and TBR for the new axle load norms for trucks. The products were tuned to carry higher payloads while continuing to offer their value propositions to the customers, thereby maximising productivity. The other big product introduction was the EnduRace TBR range for Intermedia Commercial Vehicle trucks and buses. As India continues to witness higher investment in the infrastructure development, there is a growing demand for tyres from the Tipper segment. To cater to this demand, the Company introduced two new products, EnduTrax MA and EnduTrax MD, specially created for the tipper application.

In the Light Commercial Vehicle/ Small Commercial Vehicle (LCV/ SCV) category, the Company's offer of premium EnduRace radial technology products helped further inch up its market share. To cater to the fastest growing segment in the LCV space, Pickups, the Company launched the EnduMaxx LT range and offered unmatched cost of ownership, highest mileage, a very durable product and fuel savings. The product was launched across 12 states with over 26,000 footfalls at key identified markets. The Gold Award recognition by SEAC Singapore Customer Engagement Awards in the Most Admired Brand Activation category is a testimony to the success of the product launch. Given the success of the product, the Company extended the EnduMaxx LT to the SCV category as well.

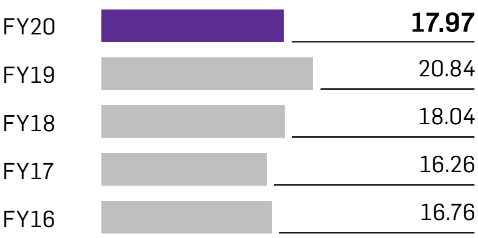
Apart from launching products to cater to different applications, the Company took multiple initiatives to engage with its customers. On the M&HCV front, it focused on further strengthening its driver connect programme, Apollo Swastha Saathi. The programme saw additional coverage in new districts even as the trucking community appreciated the Company for reaching out and helping them to be healthy and safe. The other key customer connect initiative, Leaders and Movers Meets reached out to over 15,000 customers through more than 300 meets organised during the year.

15,000+

Customers reached through customer connect initiative, Leaders and Movers Meets

Best-in-class and new product launches, continuous engagement with the customers and creating a strong brand helped the Company up its market share in both categories of the CV space and post double-digit growth in the replacement market. OEM supplies continued to be under strain due to poor growth by the OEMs in the categories.

M&HCV segment sales* (million units)



*Industry figures

Passenger Vehicles

During FY20, the Company continued its market leadership journey in India in the PV segment. To increase market share, the Company focused on new product launches, marketing campaigns and increasing the distribution network. The year closed with the Company crossing a significant milestone in achieving its India Vision 2020 of 'Building Leadership' as its Passenger Car Radial (PCR) business took a pole position in the replacement segment and further strengthened its hold in the OEM sector. Apollo Tyres witnessed its replacement volume business grow double digits for FY20 over its previous year.

During the year, Apollo Tyres sharpened its focus on the fast-growing SUV segment. It introduced the 2nd generation All-Terrain SUV tyres, Apterra AT2, for the off-road enthusiasts complementing the Company's existing Apterra range, including specialised Highway Luxury, Highway Terrain, High Performance tyres for the SUVs.

With its R&D teams across the globe working on creating products, which can set new benchmarks, the Company introduced Amazer XP, a new-age low rolling resistance tyre with low noise and high comfort for the entry level hatchbacks and sedans. This launch was very well received by OEMs as well and readily bagged new OEM fitment for Tata Tigor, Tiago (including the Electric Vehicle models), Renault Kwid, Datsun Go and Go+.

Further, in the past few years, the Company has been targeting the premium segment and has made significant inroads in the same. With R&D creating best-in-class products like Apollo Alnac 4G (for premium hatchbacks, compact SUV and sedans) and Aspire 4G (for luxury sedans/SUV), the business grew at a healthy clip as compared to the previous year.

While the PCR replacement saw a good traction in the financial year, the OEM business saw slowdown on account of weak OEM sales. Nevertheless, the Company saw some significant wins during the year, including Tata Harrier, Tigor and Tiago, New Creta, Renault Kwid and others.

The Company continued to invest in ramping up its distribution network. It added over 200 multi-branded outlets and 120+ branded retail stores during the financial year.

200+

Multi-branded outlets opened during FY20

120+

Branded retail stores inaugurated during FY20

PV segment sales* (million units)

FY20	**40.72**
FY19	42.84
FY18	42.81
FY17	41.58
FY16	38.70

*Industry figures

Off-Highway Tyres

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

In the Agriculture tyre segment, the industry was impacted by uneven and delayed monsoon. While the replacement tyre demand declined in H1, its started improving in the next two quarters till COVID-19 lockdown hit the country. Despite the sluggish demand, the Company introduced products like VIRAT 23 and VIRAT Harvest adding to its rich and diverse portfolio to cater to general agriculture and haulage & speciality applications like puddling, compact tractors and row crop. Another highlight for the segment was the launch of multiple Apollo Farm Zones (AFZ) across the country. The AFZs are an industry-first branded retail and service store concept for agriculture tyres. The zones offer a range of products and services, including an Agronomist to guide the farmers in their tyre selection process.

To engage and reach out to its customers, the Company continued to invest in rural brand building through unique on-ground activations like engaging with existing customers through the ATOM platform and partnering with OEMs in various customer service camps. The Company also focused on digital outreach to reach out to the end consumers using SMS, Facebook and YouTube promotions around the Apollo Farm category.

In the Industrial tyres category, the Company continued its strong growth story in FY20 as well. It added the next generation Backhoe Loader and Crane Front Range to its wide portfolio in FY20. While the Company grew well in the replacement segment, it also bagged new business from JCB and other OEMs. All these efforts helped the Company grow well and increase its market share, even as the segment itself registered a degrowth of 5%, according to ATMA data. Apollo Tyres continued to bag key tenders with Coal India and cement companies in the Earthmover category.

Two-wheelers

The Company continued to make its mark in the two-wheeler tyre segment. Its foray in this segment is a recent one but thanks to a best-in-class and high-technology product portfolio, it has already grabbed 7% market share of the replacement market. The year also saw the focus on building a larger portfolio mix, shifting towards higher premium bikes and scooters as it launched 17 new SKUs, along with innovative off-roading pattern for premium vehicles, tubeless SKUs for economy/ executive motorcycles/cruiser market and new pattern for scooters. With a focus on radialisation of the two-wheeler tyre market, the Company extended its steel radial portfolio with the launch of two new SKUs – Alpha S1 140/60 R17 and 130/70 R17.

2-wheeler segment sales* (million units)

FY20	**99.77**
FY19	107.92
FY18	98.68
FY17	91.45
FY16	79.94

*Industry figures

Brand building

The Company's relentless focus on R&D and brand building, as its two key pillars to gain market share, has seen continued investments during the year. The year saw the launch of the corporate advertising campaign – Ganga, leveraging its association with the sporting legend, Sachin Tendulkar. One of the highest decibel brand campaigns for Apollo Tyres, the Ganga campaign helped it gain top-of-the-mind recall and a sharper brand image. The Company also launched its new communication campaign '#Apollo Apterra Bad Road Go to Good Places' covering major platforms like TV, Out of Home (OOH), movies and digital. For its two-wheeler business, the Company executed the Alpha sustenance campaign earlier in 2020 to make it the one of the most viewed brands by the end of campaign. A focused approach for its various campaigns helped the Company achieve huge viewership on its YouTube channel with Ganga commercial reaching over 48 million and Alpha commercial being seen by over 35 million viewers.

Beyond the PCR and two-wheeler segment, initiatives were also taken for the CV category by having an incremental digital channel ramp up to their on-ground product launches, consumer offers, warranty launches and others.

The Company won its first Effie award for Apollo Alpha business under the Automotive Aftermarket category highlighting how a late entrant took on two industry giants and won.

1st

Effie award won for the Apollo Alpha business

Community centricity

The Company started its community building initiative #BadRoadBuddies in early 2019 and the year saw more activities under the theme. Apollo Tyres arranged and carried out over 200 regional Bad Road Buddy drives across India, reaching out to over 5,000 SUV users who participated. Similar engagements were done for the two-wheeler category and it saw over 12,000 bikers coming in for various programmes and a strengthened community of loyalists for Apollo Tyres' products. As part of its community building initiative, the Company also supported the Millennium City Marathon in Gurugram.

200+

Bad Road Buddy drives across India, reaching 5,000+ SUV users

Beyond India

With operations in key countries like Thailand, Malaysia, Sri Lanka, Vietnam in the APMEA—Asia Pacific, Middle East and Africa—region, the Company continued to invest in creating brand, working on the requirements of each region to bring country-specific products.

Europe

In Europe, the Company largely operates in the replacement market in PCR, Agriculture, TBR, Motorcycle and Bicycle segments, even as it continues to make headways into the OEM segment across all segments.

During the year, the Company's technology-optimised and best-in-class Vredestein range of tyres continued to win top ratings in multiple independent tests. The Vredestein Quatrac Pro, the first All-Season tyre fully focused on the UHP segment was rated second out of 31 models in the Auto Bild test on tyres in the 225/45 R17 size. Given the expertise in crafting high-technology All-Season premium tyres, Vredestein was recognised as 'All-Season Manufacturer of the Year' by Auto Bild. The year also saw success in adding Volkswagen (for VW Golf Mark 8) to the expanding OEM list. In the PCR space, the Company saw a gain in its replacement market share even though its volumes declined marginally while the overall market witnessed volumes decline by 3%.

Vredestein was recognised as 'All-Season Manufacturer of the Year'

The Company's foray in the TBR segment in Europe is bearing fruits. The Company saw strong growth across countries in Europe in this segment as customers have recognised the products' durability and performance on wet surfaces, high resistance to impact, more possibilities for re-treading, excellent control and road-keeping. The Company launched additional SKUs on the 17.5" range bringing its market coverage on 17.5" range to 70%.

In Agriculture segment, the Company saw two notable launches showcasing the high level of technology and R&D play in its products. Apollo tyres introduced the world's tallest radial floatation tyre and set new standards in terms of rolling ability and soil preservation, in a world-beating diameter of 2.15 metres. This was followed by the introduction of a new tractor tyre, the Vredestein Traxion 65. According to test conducted at RDW test track (ISO certified: ISO 10844:2014), the tyre came to a lower in-cabin noise of up to 29% compared to its premium competitor. These exceptionally low sound levels gave a new degree of comfort to tractor drivers using the Traxion 65. Also, in another test by independent German test institute, DLG, it was confirmed that Vredestein Traxion tyres were far more economical option than competitor's options over their lifetime. In fact, the results proved that the Vredestein Traxion XXL has a 50% longer lifespan ultimately resulting in a saving of €1 per operational hour per tractor.

The Company's commitment to offer best-in-class products with a high-technology component helped it inch up the volume sales slightly even as the overall market declined by about 10%. The same best-in-class product for the agriculture sector helped the Company to increase its presence in the OEM space and added marquee clients like John Deere, CNH and Claas.

In Bicycle tyres, the Company reorganised its supply chain and was ready to develop its sales, focusing on premium product, particularly on e-bikes. During the year, the Company showcased two key products - Vredestein Aventura and Vredestein Icon. The former is the perfect choice for gravel cyclists looking to ride on concrete roads or gravel roads and even on grass and loose earth. The Vredestein Icon has been designed, along with renowned Italian design house Italdesign Giugiaro to create the next-generation tyre for e-bikes. The Company was also a proud recipient of the coveted Eurobike Award for its Vredestein Fortezza Flower Power bicycle tyre. The tyre won the recognition, among ~400 other entries, for being produced from Russian dandelion, offering enhanced performance and scored highly in terms of sustainability.

In the Motorcyle segment, the Company introduced the Centauro range of sport touring radial tyres, designed especially for motorcycles on European roads.

During the year, the Company submitted a Request for Advice (RfAx) to specialise Enschede plant (in the Netherlands) over a period of two years to have a sustainable business and focus on producing only high-value tyres. Given the current operating environment, the Company cannot produce certain tyre sizes at a sustainable and competitive level and plans to specialise towards high-value tyres to secure a sustainable future for the plant in the Netherlands. Currently, Apollo Tyres is in discussion with the Works Council to reach a conclusion on the way forward.

OUTLOOK

With the worldwide outbreak of COVID-19, the global economy is staring at a recession of a magnitude never seen before in recent history. To counter the pandemic, countries across the globe has resorted to lockdowns, which has already brought the economy to a standstill. While the debate between 'Lives and Livelihood' rages across the world, the International Monetary Fund (IMF) has issued a warning that the repercussion of COVID-19 will be similar to the worst recession since the Great Depression and will dwarf the economic damage caused by the global financial crisis a decade back.

The IMF's recent projection for a 3% contraction of the global economy would mark the steepest downturn since the Great Depression of the 1930s. However, experts believe that the situation can further worsen given that the behaviour of corona virus continues to be unknown and there are no immediate medical solutions.

With the countrywide lockdown, India will certainly be hit hard, and IMF along with other rating agencies have sharply slashed India's growth estimate for FY21 ranging from 0% to 1.9% from the 5.8% estimated in January 2020. According to the European Economic Forecast, EU economy is expected to contract by 7.5% in 2020 and bounce back by 6% in 2021.

COVID-19 has grave consequences for the automobile industry and all related sectors, with most automobile manufacturers having announced temporary closure of plants due to collapsing demand, supply shortages and government measures. OEMs in India are forecasting a de-growth of 30-40% in FY21 demand given the BS-VI implementation and price increase, COVID-19 impact, poor consumer sentiment and liquidity crunch, which in turn will seriously impact the tyre industry.

Industry experts estimate a decline in the replacement tyre industry as well with impact of the pandemic playing well into the year. All industries across the globe are looking at their respective governments and their decisions regarding stimulus packages, support to turnaround sentiments, triggering demand and other such factors, which will decide the economic outcome for any country.

Against the bleak global, Indian and European outlook, Apollo Tyres has adopted a cautious approach. The focus is on employee safety and conserving cash. The Company is re-engineering production and cutting down all avoidable costs and focusing on the good costs like R&D, e-training and brand building, among others.

The APMEA region is witnessing some traction in demand in the CV and the agri space and it has put in place all necessary plans to tap this demand. In multiple categories like LCV/SCV, two-wheeler and OHT, the Company will continue its efforts to drive radialisation as it offers best value to the customers on the back of its technology strength. In other categories, the Company is continuing its progress in numerous product developments to compete and gain market share while keeping its customers' business needs at the forefront. There are a host of new product launches planned in FY21 and the Company is exploring the digital medium and innovative ways like virtual launches to reach the customers.

In Europe, Apollo Tyres will continue to focus on the passenger car segment and introduce new dedicated UHP products in the All-Season and Winter range to gain market share. The year ahead will also see an acceleration of introducing the TBR range in key European markets. The Company will continue to target growing the overall distribution footprint by adding new customers across Europe and penetrating the car dealer channel. Further, the Company is hopeful that it will reach a conclusion to its RfA submission and discussion with the Work Council about the way forward for the Enschede plant. This will help the Company to secure a sustainable future for the plant in the Netherlands and improve cost competitiveness in the market.

RISKS AND MITIGATION

The Company has in place a robust risk management framework that identifies and evaluates business risks and opportunities. Apollo Tyres recognises that these risks need to be handled effectively and mitigated to protect the interests 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 promptly identified and a mitigation action plan is developed 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

Principal Risks and Opportunities

FINANCIALS

Raw material price volatility

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

Ability to pass on increasing cost in a timely manner

- Demand-supply situation must remain in favour of the industry to enable it to undertake price increases.
- The situation is further impacted by competitive activities to make quick and appropriate price hikes.

Continued economic growth

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

Radialisation levels in India

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

Future growth

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

SOCIAL

Workforce

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

SOUND INTERNAL CONTROLS AND SYSTEMS

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

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

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

(Rs. Million)

Sl. No.	Particulars	Year Ended		Year Ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Standalone		Consolidated	
1	Revenue from Operations:				
	Sales	108,327	120,896	160,965	172,734
	Other Operating Income	2,293	2,642	2305	2,755
2	Other Income	349	1,114	469	1,231
	Total	**110,969**	**124,652**	**163,739**	**176,720**
3	Total Expenditure				
	a) Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,128	(2,615)	1917	(4,704)
	b) Cost of materials consumed & Purchase of Stock in Trade	67,247	83,194	88,840	106,086
	c) Employee Benefits Expense	8,261	7,372	24,822	24,296
	d) Other Expenses	20,055	20,795	28,537	30,224
	Total	**96,691**	**108,746**	**144,116**	**155,902**
4	Operating Profit	14,278	15,906	19,623	20,818
5	Finance Costs	2,257	1,379	2808	1,811
6	Depreciation & Amortization Expenses	6,207	4,463	11,381	8,127
7	Profit before share of profit/ (loss) in associates / joint venture, exceptional Items & Tax	5,814	10,064	5,434	10,880
8	Exceptional Items	-	(2,000)	0	(2,000)
9	Share of profit/(loss) in associate / joint venture	-	-	0	1
10	Profit before Tax	5,814	8,064	5,434	8,881
11	Provision for Tax				
	- Current	1,027	1,807	1274	1,871
	- Deferred	(299)	336	(604)	212
	Total	**728**	**2,143**	**670**	**2,083**
12	Profit after Tax	5,086	5,921	**4764**	6,798

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, Operating Profit Margin and Net Profit Margin as compared to the previous year other than the following:-

Sl. No.	Particulars	FY 2020	FY 2019	% Change	Explanation
1	Interest Coverage Ratio	4.16	7.33	-43%	Reduction in interest coverage ratio is due to increase in finance cost.
2	Current Ratio	0.71	1.35	-47%	Reduction in current ratio is due to optimisation of working capital.
3	Debt Equity Ratio	0.41	0.32	28%	Increase in Debt equity ratio due to increase in borrowings.

CHANGE IN RETURN ON NET WORTH

Sl. No.	Particulars	FY 2020	FY 2019	% Change
1	Return on Net Worth*	6.63	7.95	-17%

* Return on Net Worth is computed as Net Profit by Average Net Worth. Decline in Return on Net Worth is primarily due to decline in Net Profit from Rs 5921.09 million to Rs 5,086.24 million.

ROBUST IT PLATFORM

IT continued to strengthen the foundations of the Company, playing a pivotal role in the adoption of newer technologies aiming at providing better quality products and best user experience. The Company is investing heavily in modernising the IT infrastructure at plants. The digitalisation and automation journey has started to yield results. Some of the key initiatives undertaken during the year includes:

- Strengthening the B2B portals
- New cloud-based Transport Management system
- Adoption of Office365 for organisation-wide collaboration
- Implementation of Business Intelligence solutions
- Setup of Global Network Operations Centre and Security Operations Centre
- Automation of inter-company transactions

HEALTH, SAFETY AND ENVIRONMENT AT THE FOREFRONT

The Company is under the Health, Safety and Environment (HSE) culture transformation journey and HSE practices are being integrated with business processes systematically. Structured efforts are introduced to make the Company's eco-system safe with the active participation of every employee, contractor and business partner.

The Company continued to focus on its five strategic priorities mentioned below to achieve its safety vision: Committed to the highest safety standards to ensure that every day we return safe and healthy to our families.

Visible Leadership

The financial year saw the Vice-Chairman and Managing Director taking a personal pledge and making sure safety is included at a functional level. The HSE KPIs were reviewed and monitored periodically by the Presidents at the Regional level. HSE Gemba is practiced by management teams to gauge the strengths and opportunities with respect to HSE implementation.

With the pandemic affecting various regions around the globe, the Company's leadership team made proactive and timely interventions to guide and advise the employees. The senior leadership communicated with all employees updating them about the pandemic and the Company on a weekly basis. Further, the Company's leadership reached out to groups of people across various locations.

Functional Ownership HSE leading and lagging indicators are defined at a functional level and monitored periodically through safety council meetings. The year saw identification of accident prevention opportunities through near-miss reporting, unsafe acts, etc. Best HSE practices were deployed with business process in other operations like branded retail outlets, warehouses and others.

There were structured efforts undertaken at every manufacturing plant to implement the safety programmes related to machine safety, energy isolation, electrical safety, fire and life safety, material handling, and chemical safety.

Apollo Tyres' manufacturing plants migrated to ISO:45001:2018 from OHSAS:18001:2007. This transition is in line with the Apollo Safety roadmap to enhance rigour on risk reduction through the active participation of the leadership team and workmen.

Road risks continued to be a major issue and structured efforts were undertaken to make employee commute and work-related travel safer. Multiple measures were begun, including ensuring retractable seat belt for every passenger along with CCTV cameras in the bus to ensure compliance, monitoring of drivers wearing seat belts for hired cabs and others.

Capability Enhancement

Multiple training and development programmes were organised at each level of the organisation. These included HSE culture transformation workshops for leadership teams, Safety for Manager for line managers, risk-based training for construction and project workers, first-aid courses for office employees and planned inspection, fire, and life safety courses for warehouse-in-charges.

Positive Reinforcement

People have been recognised and awarded periodically to drive HSE. The annual Chairman Safety award is one of the high-level awards organised in the Company. Further, the Company's manufacturing plants have structured safety awards at a functional level based on defined evaluation criteria. In the projects, 10% of total workers were rewarded each month. These have helped to inspire and motivate employees to participate in safety culture transformation journey.

Awareness and Communication

The Company continued to spread awareness about safety throughout the year. Campaigns were conducted for employees, partners and customers on road safety. An innovative digital campaign called Love Yourself was launched to cover employees, contractors, and business partners across the value chain. An online login portal has been introduced to have daily HSE intervention with employees while logging into the Company's network to reinforce the HSE practices.

Continuous awareness programmes were conducted across the organisation to make people aware of precautions and actions related to COVID-19. Awareness content is ensured in line with respective country and World Health Organization (WHO) guidelines. All the interventions have seen a direct impact on the safety culture. The Company's greenfield project in Andhra Pradesh (in India) achieved 10 million safe person-hours without a lost-time incident during the year. The Company's Chennai plant (in India) received the Best Supplier for Environment Promotion recognition from an OEM customer. The Company's Limda plant (in Gujarat, India) achieved 100% compliance scores based on fire safety and flood safety parameters defined by an OEM customer.

STRONG HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

Nurturing Teams

The Company remained focused on its journey to achieve the Vision 2020, with its People First motto and active HR participation. The year saw the HR team launching multiple initiatives to enhance employee engagement and boost morale. During the year, the Company launched Apollo Pillars to recognise and reward employees' long-term contribution towards its growth and success, felicitating employees' key journey milestones with it. The APMEA region launched the 'I AM APOLLO' campaign as an employee recognition platform to highlight the growth journey of employees in Apollo Tyres across various functions and locations.

Providing Opportunities for Growth

Capability building and talent management continued to be a key focus area for the Company and HR launched multiple initiatives in training and learning and development areas. Some of the key programmes included the Apollo Virtual Academy (AVA), Refresh@Apollo, Winning with Customers, Admire, First Line Manager's Program, Power Pivot and Power BI, Apollo ONE and many more. Most of the programmes focused on specific requirements of locations, functions or the whole organisation and were accordingly designed and developed. The Company rolled out its Global Apollo Talent roadmap and deployed it successfully across all functions and regions, using the 9 Box grid, talent mapping and flight risk assessment.

Like the other plants, HR at the Hungary plant also set up an e-learning process to focus on the professional knowledge of the shopfloor teams. To further create awareness of the tyre manufacturing process in Hungary, the Company launched a tyre building facility, in cooperating with Miskolc University, Hungary. Similarly, in Enschede plant, a first-line leadership training programme and a company-wide safety programme was launched, along with internal training for operators.

In line with Apollo Tyres' belief that it is important to support its people in realising their career aspirations, as well as empowering them to contribute towards organisational growth, the Company provided various opportunities for its people to grow laterally and vertically within the organisation.

Engaging with People with 'One Family' as a core value of the Company, HR organised multiple 'Apollo One Family' and other events across various locations to bring its people together for a cause and to have a good family time. The Company's various location/functions organised events, including Wellness Marathon, Baisakhi Festival, Apollo Family Day, blood donation camps, Ladies Forum and Sangamam for female spouses of employees, among others to create a strong bond for the Apollo Family. The Europe region celebrated the 110-year anniversary of Vredestein and organised a 'Family Day' that witnessed participation of over 4,000 visitors and officials.

As COVID-19 started spreading across the country, it was heartening to see Apollo Tyres' One Family stand together to provide food and essential kits to the poor and daily wage workers near their vicinity.

Building a Positive Organisational Culture

The Company has been recognised among India's Best Companies to Work for in 2019 and among India's Best Workplaces in Manufacturing 2020. It has been ranked among the top 50 companies across industry and among top 30 organisations in the manufacturing sector. Employee motivation, pride for the organisation and work ethics have contributed towards these recognitions. In a rigorous Trust Index Employee survey and Culture Audit People Practices framework, the Company excelled on five dimensions namely Credibility, Respect, Fairness, Pride and Camaraderie signifying the high-performance and high-trust culture at Apollo Tyres. Apollo Tyres actively encourages the principle of 'One Fami the core' as its organisational culture, which is supported b good infrastructure. Additionally, the Company culture end the use of latest technology and diverse learning opportuni to motivate its people, the leadership focuses immensely o employee welfare and promotes a culture of healthy work-l balance, along with empowerment and liberty to function.

Labour relations remained conducive across all India opera The plants in India created multiple opportunities to promo open and supportive work environment and enhance partici decision-making. Plant councils, house committees and safety cells were a few of the activities conducted in variou production units.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Apollo Tyre's sustainability journey began in 2010, when it started to report on the Environment, Social and Governance (ESG) indicators as part of its long-term business strategy to highlight improved performance and sustainable growth. During the year, the Company embarked upon the journey of ISO 26000, guidance on Social Responsibility, whereby the Standard Operating Procedures (SOPs) of four core issues of the seven—Fair Operating Practices, Consumer Issues, Environment and Community Development—are assured by a third party. Further, across its key regions, the Company continued to focus on its CSR activities around its two major themes - Environment and Social. Within Social, there are two sub themes: Health and Community Development.

Environment

During FY20, the Company continued its efforts in the core areas of biodiversity conservation and waste management. Local initiatives included activities towards Climate Change Mitigation and Watershed Management. In Europe, the Company joined hand with Municipality of Enschede on the 'Stadsbeek' project. Stadsbeek aims to solve the existing problems of storage and drainage of rainwater and groundwater, as a result of climate change issues, to improve the habitability of the area.

Social

Within the Health theme, the Company continued to ramp up its healthcare programme for the trucking community across 32 centres in 19 Indian states. During the year, the healthcare centres had over 1,000 volunteers who supported in implementation of the programme. During these harrowing times of COVID-19, the Company created awareness and distributed resources and information of COVID-19 across various communities, reaching out to over a million people. Also, provided thousands of people essential supplies – such as ration support and hygiene kits. The Company's Agartala-based healthcare centre continues to support the Government of Tripura in doing basic COVID-19 screening.

Under the Community Development theme, the focus has been around aiding the livelihood and income generation of women and farmers to improve farming practices. One of the Company's initiative, Navya—livelihood initiative for underprivileged women—won the Best Organisation supporting Women 360 degree Award for its committed work with the communities. The programme also ran an ongoing campaign in partnership with French Institute in India to felicitate eight exemplary women beneficiaries. The programme is now being implemented through beneficiaries themselves and creating a domino effect!

The financial year witnessed the Company bag the Institute of Company Secretaries of India prestigious 'ICSI CSR Award'.

BOARD'S REPORT

Dear Member,

Your Directors have pleasure in presenting the 47th 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, 2020.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2020 is summarised below:

(₹ Million)

Particulars	Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Standalone		Consolidated	
Net Sales	108,327	120,896	160,965	172,734
Other Income and Other Operating Income	2,642	3,756	2,774	3,986
Operating Profit (EBIDTA including Other Income)	14,278	15,906	19,623	20,818
Less: Depreciation/Amortisation Exp.	6,207	4,463	11,381	8,127
Finance Cost	2,257	1,379	2,808	1,811
Provision for Tax	728	2,143	670	2,083
Net Profit before share of Profit in Associate/ Joint Venture and Exceptional Items	5,086	7,921	4,764	8,797
Add: Exceptional Items	-	(2,000)	-	(2,000)
Add: Share of Profit in Associate/ Joint Venture	-	-	-	1
Net Profit	5,086	5,921	4,764	6,798

OPERATIONS

In our key market, India, the tyre industry is closely linked to the automobile industry. Given the decline in the Indian auto industry, the tyre industry also saw a degrowth for FY20. According to the 11 months data of FY20 from Automotive Tyre Manufacturer Association (ATMA), the tyre industry declined by 6% as compared to the 11months numbers of FY19.

In the Company's other key market, Europe, the tyre industry performed poorly due to poor growth in the auto sector. A detailed analysis of the tyre industry for India and Europe has been shared in the Management Discussion and Analysis section of the annual report.

On a standalone basis, your Company achieved a net sales of ₹ 108,327 million as against ₹ 120,896 million during the previous financial year. EBIDTA was at ₹ 14,278 million as compared to ₹ 15,906 million during the previous financial year. The Net Profit for the year under review was ₹ 5,086 million, as against ₹5,921 million in the previous fiscal.

The consolidated net sales of your Company was ₹ 160,965 million during FY20, as compared to ₹ 172,734 million in FY19. The consolidated EBIDTA was ₹19,623 million for FY20 as compared to ₹ 20,818 million for the previous financial year. On consolidated basis, Apollo Tyres earned a Net Profit of ₹ 4,764 million for FY20 as against ₹ 6,798 million for the previous financial year.

RAW MATERIALS

The raw material cost in India had fallen by approx. 5% in FY20 over the previous year aided by a drop in Carbon Black, Synthetic Rubber, Nylon Fabric and Chemicals prices.

Oil based raw materials witnessed a drop due to reduction in crude oil prices. Brent crude prices were 14% lower in FY20 over the previous year. The Brent Crude Oil ruled in the Band of USD 60-65/bbl for most part of this year, however it witnessed a sharp fall in Q4 FY20 to a level of USD 34/bbl in March 2020 due to drop in demand and inability of the major oil producing countries to come to an agreement to regulate the production and supply levels in view of the falling demand on account of COVID-19.

The Indian Rupee was steady at approx. 70 against the USD during first half of the year. The rupee breached the level of 74 by end of the year registering a modest 1% weakening against the USD over the last fiscal.

The domestic natural rubber prices had seen an increase of approx. 7% in the current fiscal year over last year. The domestic supplies were partially impacted during the year due to erratic weather pattern. The international rubber prices witnessed a spike in H2 FY20 on the backdrop of reduced production and supplies from Indonesia and Thailand due to the onset of fungal leaf disease before easing out towards the end due to demand slowdown. The inverted duty structure on natural rubber continued through the year. The port restrictions on natural rubber and the pre-import condition on natural rubber imports under Advance Licences continued during the year.

The anti-dumping duty imposed on imports of Styrene Butadiene Rubber (SBR) from Korea, Thailand and Europe continues. Initiation of Bilateral Safeguard Investigation for import of Poly Butadiene Rubber (PBR) from Korea under the India-Korea CEPA was done in the last year. Anti-subsidy investigation concerning imports of SBR into India from Korea was also initiated in FY20. The conventional grades of Synthetic Rubber –SBR and PBR are being produced in India leading to import substitution. The Solution SBRs and Nd Neodymium PBR used in the manufacture of tyres with low rolling resistance and Ultra High Performance tyres are not produced in India and need to be sourced from Europe and South East Asia. The custom duty on Bromo Butyl increased from 5% to 10% in July 2019.

The Carbon Black supplies have remained stable after capacity expansion / de-bottlenecking by the local industry and the subdued automobile demand throughout the year. The anti-dumping duty on imports of Carbon Black from China and rubber chemicals from Europe continues.

Nylon fabric showed a moderate weakening in prices in FY20 due to fall in prices in crude oil derivatives. The custom duty on nylon fabric imports continued at 20%. The anti-dumping duty on Fabric imports continued from China.

Steel Import Monitoring System (SIMS) were introduced by the Ministry of Steel on import of all steel products into India effective from November 2019 onwards. In addition, Bureau of India Standards (BIS) norms are being framed for some tyre industry raw materials.

The spread of coronavirus pandemic to different countries in the last quarter and resulting lockdown by various countries worldwide leading to shutdown of manufacturing plants including the raw material suppliers added to the slowdown of overall demand and weakening of the various commodities. The supply chains came under pressure due to additional restrictions and constraints in material movements and port clearances during the lockdown. Suitable contingency actions were timely initiated to secure raw material supplies from alternate countries and sources of supplies with a close monitoring of the supplies on a continuous basis.

DIVIDEND

Your Company has a consistent track record of dividend payment. In compliance with the Dividend Distribution Policy of the Company, the Board of Directors at its meeting held on February 26, 2020 had declared an Interim Dividend of ₹ 3/- (300%) per share of ₹ 1/- each on Equity Share Capital of the Company. The Interim Dividend was paid to the Members of the Company whose name appeared in the Register of Members as on Record Date i.e. March 5, 2020.

The aforesaid interim dividend declared by the Board would be recommended for the approval of Members as Final Dividend for FY20.

RESERVES

The amount available for appropriations, including surplus from previous year amounted to ₹ 39,066 million. Surplus of ₹ 38,066 million has been carried forward to the balance sheet. A general reserve of ₹ 1,000 million has been provided.

BOARD OF DIRECTORS

A) Appointment/ Re-appointment of Director

Ms. Anjali Bansal (DIN: 00207746) was re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 consecutive years with effect from November 1, 2019 to October 31, 2022, through Postal Ballot on September 20, 2019. The Board noted that her continuous association would be of benefit to the Company.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Sunam Sarkar (DIN: 00058859) Director of the Company, is liable to retire by rotation and being eligible offers himself for re-appointment.

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

B) Changes in Directors and Key Managerial Personnel

During the year under review and between the end of the financial year and date of this report, following are the changes in Directors and Key Managerial Personnel of the Company:-

(i) Mr. Nimesh N. Kampani & Dr. S. Narayan, Independent Directors, have ceased to be Independent Directors of the Company consequent to their end of tenure on August 5, 2019.

(ii) Re-appointment of General Bikram Singh (Retd.) (DIN: 07259060) as an Independent Director, for a further period of 3 years from August 11, 2020 to August 10, 2023 for which the approval is sought at the ensuing AGM.

There are no changes in the 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. The Independent Directors have also complied with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013. All our Independent Directors are registered on the Independent Directors Databank.

D) Formal Annual Evaluation

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

For annual performance evaluation of the Board as a whole, it's Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself by rating the performance on each question on the scale of 1 to 5, 1 being Unacceptable and 5 being Exceptionally Good.

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

E) Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on February 26, 2020.

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 forms part of Board's Report.

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

G) Code of Conduct for Directors and Senior Management

The Company has formulated a Code of Conduct for Directors and Senior Management Personnel and has complied with all the requirements mentioned in the aforesaid code.

PRODUCT & MARKETING

In FY20, the APMEA operations continued its focus on key themes for the Indian market - consolidating its leadership position and expanding market share by introducing new products across segments.

In the Medium and Heavy Commercial Vehicle (M&HCV) category, the Company's launched tyres for both Truck Bus Bias (TBB) and Truck Bus Radial (TBR) for the new axle load norms for trucks.

In one of the fastest growing segment of the LCV/SCV category, Pickups, the Company launched the Endumaxx LT range and offered unmatched cost of ownership, highest mileage, a very durable product and fuel savings.

The Passenger Vehicle category saw the Company introducing its 2nd generation All-Terrain SUV tyres, Apterra AT2, for the off-road enthusiasts. Further, the Company introduced Amazer XP, a new age low rolling resistance tyre with low noise and high comfort for the entry level hatchbacks and sedans. This launch was very well received by OEMs as well and readily bagged new OEM fitment for Tata Tigor, Tiago (including the Electric Vehicle models), Renault Kwid, Datsun Go and Go+.

In the agriculture segment, the Company introduced products like VIRAT 23 and VIRAT Harvest.

In the two-wheeler segment, the Company launched 17 new SKUs for the higher premium bikes and scooters and extended its steel radial portfolio with the launch of two new SKUs – Alpha S1 140/60 R17 and 130/70 R17.

In Europe, Vredestein was recognised as 'All-Season Manufacturer of the Year' by Auto Bild. The year also saw success in adding Volkswagen (for VW Golf Mark 8) to the expanding OEM list.

The Company's foray in the TBR segment in Europe is bearing fruits. It launched an additional SKUs on the 17.5" range bringing its market coverage on 17.5" range to 70%.

In Agricultural segment, the Company introduced the world's tallest radial flotation tyre and set new standards in terms of rolling ability and soil preservation and in a world-beating diameter of 2.15 metres. This was followed by the introduction of a new tractor tyre, the Vredestein Traxion 65.

In the bicycle tyres, the Company was also a proud recipient of the coveted Eurobike Award for its Vredestein Fortezza Flower Power bicycle tyre. In the Motorcyle segment, the Company introduce the Centauro range of sport touring radial tyres designed especially for motorcycles on European roads.

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

FUTURE OUTLOOK

With the worldwide outbreak of COVID-19, the global economy is staring at a severe recession. To counter the pandemic, countries across the globe have resorted to lockdowns which have brought the economy to a standstill. While the debate between 'Lives and Livelihood' rages across the world, the International Monetary Fund (IMF) has issued a warning that the repercussion of COVID-19 will be similar to the "worst recession since the Great Depression" and will dwarf the economic damage caused by the global financial crisis a decade back.

With the countrywide lockdown, India will certainly be hit hard and IMF along with other rating agencies have sharply slashed India's growth estimate for FY21 ranging from 0% to 1.9% from the 5.8% estimated in January. According to the European Economic Forecast, EU economy is expected to contract by 7.5% in 2020 and bounce back by 6% in 2021.

The COVID-19 has grave consequences for the automobile industry and all related sectors, with most automobile manufacturers having announced temporary closures of plants due to collapsing demand, supply shortages and government measures. OEMs in India are forecasting a degrowth of between 30-40% in FY21 demand given the BS-VI implementation and the price increase, COVID-19 impact, poor consumer sentiment and liquidity crunch, which in turn will seriously impact the tyre industry.

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

The APMEA region is witnessing some traction in demand in the CV and the agri space and it has put in place all necessary plans to tap this demand. In the multiple categories like LCV/SCV, two-wheeler and OHT, the Company will continue its efforts to drive radialisation as it offers the best value to the customers and maintaining the strong technology strength of the Company. In other categories, the Company is continuing its progress in numerous product developments to compete and gain market share whilst keeping its customers business needs at the forefront. There are a host of new product launches planned in FY21 and the Company is exploring the digital medium and innovative ways like virtual launches to reach the customers.

The Europe region will continue to focus on the passenger car segment and introduce new dedicated UHP products in the All-Season and Winter range to gain market share. The year ahead will also see an acceleration of introducing the TBR range in key European markets. The Company will continue to target growing the overall distribution footprint by engaging new customers across Europe and penetrating the car dealer channel.

MANUFACTURING FACILITY AT ANDHRA PRADESH

The Company was allocated ~256 acres land by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for setting up project. The Company obtained pre establishment approvals from various Departments including Consent for Establishment, Building plan approval and Fire NOC before start of construction in November, 2018. Services and external infrastructure work is in final stages of completion. Manpower recruitment is completed, training is in progress. Total 151 management personnel have been recruited. All major process equipment for PCR and TBR tyres have been commissioned. Pre operational approvals are being obtained to start commercial production. Capacity creation is being staggered in line with market requirement to the extent possible.

MATERIAL CHANGES AND COMMITMENTS

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

SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

INTERNAL FINANCIAL CONTROLS

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

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

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

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; a) automated controls within SAP, b) segregation of duties within SAP and restricted access to key transactions, c) manual process controls.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SUBSIDIARY/ ASSOCIATE COMPANIES

As the Company follows its vision to become a global tyre brand of choice, it has multiple Subsidiaries for facilitating these operations in various countries. As on March 31, 2020, your Company had 35 Overseas Subsidiary Companies (including step subsidiaries), 1 Associate Company and 1 Joint Venture.

Apollo (South Africa) Holdings (Pty) Ltd. had executed a sale of shares agreement with Tacoma Foods (Pty) Ltd. to sell its entire stake in Pressurite (Pty) Limited effective May 31, 2019. Hence Pressurite (Pty) Limited is no more an Associate Company of Apollo (South Africa) Holdings (Pty) Limited.

Rubber Research LLC, a wholly owned subsidiary of Apollo Tyres Cooperatief U.A. was liquidated on July 25, 2019.

S.C. Vredestein RO S.R.L., a wholly owned subsidiary of Apollo Vredestein Kft. was liquidated on November 11, 2019.

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. A statement containing brief financial details of all the Subsidiaries and Associates of the Company for the year ended March 31, 2020, forms part of 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 is also attached with financial statements.

MATERIAL SUBSIDIARIES

Your Company has following material unlisted Subsidiaries viz. Apollo Vredestein B.V., Apollo Tyres (Hungary) Kft., Apollo Tyres B.V., Apollo Tyres Cooperatief U.A. and Apollo Tyres Holdings (Singapore) Pte Ltd. as on March 31, 2020.

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

a) Apollo Vredestein B.V.

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

During FY20, new product lines have been introduced in the Business categories passenger car, two wheelers, agricultural and truck & bus. Key Technology developments done during the year were Ultra Low Rolling Resistance, RunFlat and Foam Applications. These developments are strongly supported by Material Developments including new innovative Raw Materials and new Processes in mixing building and curing.

At the close of FY20, the Company submitted a Request for Advice to specialize Enschede plant over a period of two years in order to have a 'sustainable business' and focus on producing only high-value tyres. Given the current operating environment, the Company cannot produce certain tyre sizes at a sustainable and competitive level and plans to specialise towards high-value tyres to secure a sustainable future for the plant in the Netherlands. Currently, the Company is in discussion with Works Council to reach a conclusion on the way forward.

b) Apollo Tyres (Hungary) Kft.

Apollo Tyres (Hungary) Kft. was established with an aim to set up a 'state of the art' automotive tyre manufacturing facility in Hungary which will produce both passenger car tyres and commercial vehicle tyres.

During FY20, the company has completed its Greenfield project within the agreed timelines. Production ramp up for both Passenger car & Commercial vehicle tyres continued during the year.

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

The Company is a private Company limited by shares incorporated and domiciled in Singapore. The principal activities of the Company is that of sourcing raw materials for Apollo manufacturing plants in India and Europe besides the provision of other services to the group. 50% of the raw material procurement is for Natural Rubber. Major sourcing countries are Thailand, Indonesia and China. Company has also started outsourcing finished goods for APMEA and AVBV regions for certain specific tyre/tube range.

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

In addition, Corporate HR team, based out of Singapore, is managing and facilitating the effective deployment of HR systems and policies 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, contain people costs and human capital utilization.

d) Apollo Tyres B.V.

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

e) Apollo Tyres Cooperatief U.A.

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

DEPOSITS

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

AUDITORS

M/s. Walker Chandiok & Co LLP, Chartered Accountants, Firm Registration No. 001076N/N500013 (the firm licenses audit software as well as audit methodology from Grant Thornton International Ltd), had been appointed as Statutory Auditors of your Company for a period of 5 years from FY18 to FY22 at the Annual General Meeting held on July 5, 2017.

AUDITORS' REPORT

The report given by M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors on financial statements of the Company for FY20 is part of the Annual Report. The comments on statement of accounts referred to in the report of the Auditors are self explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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

COST AUDIT

M/s. N.P. Gopalakrishnan & Co., Cost Accountants, were appointed with the approval of the Board to carry out the cost audit in respect of the Company's plants at Perambra (Kerala), Limda (Gujarat), Chennai (Tamil Nadu) and Chinnapandur (Andhra Pradesh) as well as Company's leased operated plant at Kalamassery (Kerala) for FY20.

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

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had re-appointed M/s. PI & Associates, Company Secretaries as Secretarial Auditor of the Company for FY20 to undertake secretarial audit of the Company.

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

MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 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 form part of Board's Report.

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

VIGIL MECHANISM

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

COMMITTEES OF BOARD

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

SHARE CAPITAL

During the year under review, on March 23, 2020, the Authorised Share Capital of the Company was increased from ₹ 750,000,000 (Rupees seven hundred and fifty million only) to ₹ 15,750,000,000 (Rupees fifteen thousand seven hundred and fifty million only) divided into:-

(i) 750,000,000 (Seven hundred and fifty million) Equity Shares of ₹ 1/- each;

(ii) 150,000,000 (One hundred and fifty million) Preference Shares of ₹ 100/- each.

As on March 31, 2020, the Issued, Subscribed and Paid-up Equity Share Capital of the Company was 572,049,980 equity shares of ₹ 1/- each.

As on April 22, 2020, the Issued, Subscribed and Paid-up Preference Share Capital was 54,000,000 6.34% Compulsorily Convertible Preference Shares of ₹ 100/- each.

a) Issue of equity shares with differential rights

Your Company has not issued any equity shares with differential rights during the year under review.

b) Issue of sweat equity shares

Your Company has not issued any sweat equity shares during the year under review.

c) Issue of employee stock options

Your Company has not issued any employee stock options during the year under review.

d) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

COMPULSORILY CONVERTIBLE PREFERENCE SHARES

During the year under review, the Members of the Company approved the issue of 6.34% Compulsorily Convertible Preference Shares (CCPS) upto 108,000,000 (One hundred and eight million) having a face value of ₹ 100/- each aggregating to ₹ 10,800,000,000 (Rupees ten thousand eight hundred million only) to be allotted to Emerald Sage Investment Ltd ('the Allottee'), an affiliate of Warburg Pincus LLP, by way of preferential allotment on a private placement basis in Public category. The aforesaid CCPS shall be convertible into 63,050,966 (Sixty three million fifty thousand nine hundred and sixty six) equity shares of the Company at a face value of ₹ 1/-each at a conversion price of ₹ 171.29 each.

The Company entered into an Investment Agreement dated February 27, 2020 and Amendment Agreement dated April 21, 2020 with Allottee, certain specified persons belonging to the promoter and promoter group of the Company for the aforementioned preferential allotment.

In terms of the Amendment Agreement dated April 21, 2020, the parties agreed to make the allotment in 2 Tranches.

In Tranche 1 CCPS allotment of 54,000,000 (Fifty four million) aggregating to ₹ 5,400,000,000 (Rupees five thousand four hundred million only) was made to the allottee on April 22, 2020 which shall be convertible into 31,525,483 equity shares of ₹ 1/- each at a conversion price of ₹ 171.29 within 18 months from the date of allotment. Such conversion may take place earlier of either (i) at the option of the Proposed Allottee, or (ii) at the earliest date occurring at any time after 21 (twenty one) trading days from the date of issue of the CCPS to the Proposed Allottee on which the 21 (twenty one) days' average of the daily volume weighted average price of the equity shares of the Company on the National Stock Exchange of India Limited reaches at least the conversion price of the CCPS.

The Tranche 2 CCPS of 54,000,000 (Fifty four million) amounting to ₹ 5,400,000,000 (Rupees five thousand four hundred million only) will be allotted on or before October 7, 2020 in accordance with the terms of an amendment agreement executed on April 21, 2020 amongst the Company, the Allottee and certain persons belonging to the promoter and promoter group of the Company subject to members approval.

After Tranche 1, the cumulative fully diluted ownership of affiliates of private equity funds managed by Warburg Pincus LLC on a converted basis, including the Allottee, as on date is approximately

13.7%. Post the allotment of Tranche 2 CCPS, this would increase to approximately 18%.

DEBENTURES

The following series of Secured Redeemable Non-Convertible Debentures (NCDs) were issued and allotted by the Company through Private Placement:-

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

RELATED PARTY TRANSACTIONS

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

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

MANAGERIAL REMUNERATION

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) Pvt. Ltd., wholly owned Subsidiary of the Company.

PARTICULARS OF EMPLOYEES

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HEALTH, SAFETY & ENVIRONMENT

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

AWARDS AND RECOGNITIONS

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

Name of the Award	Category	Awarded by
India's Best Companies to Work For 2019	Auto & Auto Components Industry	Great Places To Work
Pitch Top 50 Brands	Globetrotters	Exchange4media
Brand Vid 2019	Best Brand Influencer Collaboration	Indian Television
Consumer Reports Survey		Consumer Reports
Compliance 10/10 awards	Compliance Program Award	Legasis (Co-hosted by BSE)
ICSI CSR Excellence award 2019	Best Corporate in Large Category	Institute of Company Secretaries of India (ICSI)
EFFIE Awards	Automotive Aftermarket	Effie
The Customer FEST Award 2020	Best Reward Program	
IPR Leadership Awards	Excellent Contribution in the Field of Patents	Social Talks
Assocham Women Achiever's Award 2019	Best Organisation supporting Women 360 degree Best Initiative taken by Women	Assocham 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 and Corporate Functions headed by President (APMEA), President (Europe) and Chief Financial Officer as Chairman of the respective Committees. The IRCs review each risk on a quarterly basis and evaluate its impact and plans for mitigation. The terms of reference of the RMC including its composition are mentioned in the Corporate Governance Report which forms part of the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

BUSINESS RESPONSIBILITY REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the top 500 Listed Companies by market capitalisation to include Business Responsibility Report ("BR Report") in their Annual Report.

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

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

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

ANNUAL RETURN

The extract of the annual Return in Form MGT-9 is enclosed herewith as Annexure V, forming part of this report.

As per Section 134 (3) (a) of the Companies Act, 2013, the Annual Return referred to in Section 92 (3) has been placed on the website of the Company www.apollotyres.com under the Investors Section.

CORPORATE GOVERNANCE REPORT

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

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

The compliance report on corporate governance and a certificate from M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance, as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure VI 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, 2020, 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

Place: New Delhi
Date: May 19, 2020

ONKAR S. KANWAR
Chairman & Managing Director

ANNEXURE I

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
Apollo Tyres Limited
(L25111KL1972PLC002449)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:

Subject to the limitations given in this report, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

   f. The Securities and Exchange Board of India (Registrars and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)

   h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

   1. Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control), Order, 2009; and

   2. 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 Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ('Listing Regulations').

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

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

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

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

We further report that as per SEBI Circular No SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, companies which are large corporates, are required to borrow atleast 25% of their incremental borrowing during the last financial year in form of debt securities. It has been informed to us that due to the Force Majeure event that gripped not only the nation but the whole world due the situation arising out of COVID-19 pandemic, the planned long-term borrowing of ₹ 500 crores of the Company scheduled for second half of March 2020, through the Debt Capital Market (DCM), got deferred as the investors indicated that given the uncertainty, they could disburse only post March 31, 2020. Considering the situation arising out of COVID-19 pandemic, we have not formed an adverse opinion on the said matter.

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

- Passing of Special Resolution in terms of Section 180(1)(c) of the Act to borrow such amount from banks/ financial institutions/ bodies corporates the aggregate of which shall not at any time exceed the limits of ₹ 65,000 million (Rupees Sixty-five thousand million only) for the business purposes of the Company.
- Passing of Special Resolution in terms of Section 180(1)(a) of the Act, to enable the Company to create/mortgage/charge/ hypothecation etc. to the extent of ₹ 65,000 million (Rupees Sixty-five thousand million only) on any movable/immovable property of the Company.
- Increase of its Authorised Share Capital from the existing ₹ 75,00,00,000/-(Rupees Seventy-Five Crores Only) divided into 73,00,00,000 (Seventy-Three Crores) equity shares of ₹ 1 each/- and 2,00,000 (Two Lakhs only) Cumulative Redeemable Preference Shares of ₹ 100/- each to ₹ 15,75,00,00,000/- (Rupees One Thousand Five Hundred Seventy-Five Crores Only) divided into 75,00,00,000 (Seventy-Five Crores) equity shares of ₹ 1/- each and 15,00,00,000 (Fifteen Crores only) Preference shares of ₹ 100/- each. Consequently, Alteration of Clause V of the Memorandum of Association of the Company by replacing the existing Clause V.
- The Company has entered into an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue of 10,80,00,000 (Ten Crores Eighty Lakhs only) 6.34% Compulsorily Convertible Preference Shares having Face value of ₹ 100 each (Rupees One Hundred only) by way of preferential allotment on a private placement basis.
- Approval of issuance of Non-Convertible Debentures aggregating to ₹ 15,000 Million on Private Placement basis to be allotted in one or more tranches.

Limitations

It is to be noted that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates vide orders dated March 29, 2020, April 15, 2020 and May 01, 2020 for containment of spread of Covid-19, the abovementioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents.

For **PI & Associates**
Company Secretaries

Sd/-
Ankit Singhi
Partner
ACS No.: 20642
C P No.: 16274
UDIN: A020642B000254458

Place: New Delhi
Date: May 19, 2020

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

To,
The Members,
Apollo Tyres Limited

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

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

For **PI & Associates**
Company Secretaries

Sd/-
Ankit Singhi
Partner
ACS No.: 20642
C P No.: 16274
UDIN: A020642B000254458

Place: New Delhi
Date: May 19, 2020

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBIIITY (CSR) ACTIVITIES

1. OUTLINE OF COMPANY'S CSR POLICY

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

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

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

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

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

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

1. Activities undertaken in pursuance of normal course of business of the Company;
2. Activities that benefit only the employees of the Company and their families; and
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 transshipment locations (ongoing). Incorporate more health services at the locations.

2) **Solid Waste Management and Sanitation Programme** (SPARSH) in different transshipment hubs and communities around manufacturing locations (ongoing). Introduction of up-cycle products from waste. End of Life Tyre Playgrounds at selected location and toilet construction initiative to promote safe sanitation at Chennai location.

3) **Livelihood for underprivileged women:** Expansion at Baroda, Kottayam and Chennai location (ongoing).

4) **Biodiversity Conservation:** Mangrove conservation project at Kannur, Kerala. Conservation and maintenance of biodiversity parks in Kochi Tree plantation with objective of carbon sequestration at Tamil Nadu (ongoing).

5) **Local Initiatives:** Expansion of job counselling and employability training for ITI and other Graduates in Kochi and Chennai. Computer literacy projects in the villages around Chennai plant. Watershed management project such as pond conservation and drinking water project around manufacturing units.

6) **Philanthropic Initiatives:** Sponsorship of education of underprivileged girls in Dehradun, Uttarakhand (Himjyoti School), Feeding of people outside AIIMS hospital (Delhi Langar Society), Medicine support to underprivileged (Delhi Commonwealth Women's Association), Ration support to old age home (DAVO Ngo) and others during the year.

Web Link:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is https://corporate.apollotyres.com/en-in/responsibility/policies-documents/

2. THE COMPOSITION OF THE CSR COMMITTEE.

A. Onkar S. Kanwar-Chairman of the Committee

B. Sunam Sarkar-Member of the CSR Committee

C. General Bikram Singh (Retd) - Member of CSR Committee

D. Anjali Bansal- Member of the CSR Committee

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ 9,185.87 MILLION

4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 183.70 MILLION

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the financial year: ₹ 183.70 Million

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ Million)

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through Implementing agency*
1	HIV-AIDS awareness & prevention programme (Migrant Project)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	2.39	2.38	2.38	Global Organisation for Life Development
2	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Agra, Uttar Pradesh	3.19	3.08	3.08	Jan Chetna Sewa Samiti
3	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Bangalore, Karnataka	3.17	2.97	2.97	Hindustan Latex Family Planning Promotion Trust & Society for Peoples Action for Development
4	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Barmana, Himachal Pradesh	1.06	0.80	0.80	ACC Trust
5	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Chennai, Tamil Nadu	2.70	2.59	2.59	Confederation of Surface Transport Tamil Nadu
6	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Chhindwara, Madhya Pradesh	2.20	2.12	2.12	Young Men's Christian Association
7	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Chhindwara, Madhya Pradesh	1.66	1.02	1.02	Utkal Sevak Samaj
8	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	10.66	9.08	9.08	Apollo Tyres Foundation
9	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	3.29	3.24	3.24	Nav Srishti
10	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Farakka, West Bengal	1.38	1.32	1.32	Ambuja Cement Foundation
11	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Guwahati, Assam	3.38	3.21	3.21	Global Organisation for Life Development
12	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Gurgaon, Haryana	1.74	1.54	1.54	Child Survival India
13	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Gwalior, Madhya Pradesh	2.66	2.56	2.56	Jan Chetna Sewa Samiti
14	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Hyderabad, Telangana	3.43	3.18	3.18	Telugu Network of People Living With HIV/AIDS
15	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Indore, Madhya Pradesh	3.09	2.96	2.96	Adarsh Jan Seva Sansthan
16	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jaipur, Rajasthan	2.57	2.48	2.48	Institute for Global Development
17	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jalandhar, Punjab	2.98	2.83	2.83	Pahal

(₹ Million)

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through Implementing agency*
18	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jodhpur, Rajasthan	2.50	2.33	2.33	Institute for Global Development
19	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Kanpur, Uttar Pradesh	3.44	3.36	3.36	Jan Kalyan Maha Samiti
20	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Karim Nagar, Telangana	1.45	1.33	1.33	Telugu Network of People Living With HIV/AIDS
21	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Kolkata, West Bengal	1.63	1.57	1.57	Ambuja Cement Foundation
22	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Mumbai, Maharashtra	3.01	2.84	2.84	Alert India
23	HIV-AIDS awareness & prevention programme (Migrant Project)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	3.03	2.82	2.82	Shree Sevanidhi Trust
24	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Nagpur, Maharashtra	2.51	2.41	2.41	Young Men's Christian Association
25	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Nalagarh, Himachal Pradesh	1.70	1.56	1.56	Ambuja Cement Foundation
26	HIV-AIDS awareness & prevention programme (Migrant Project)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	2.36	2.28	2.28	Confederation of Surface Transport Tamil Nadu
27	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Patna, Bihar	3.08	2.93	2.93	Step Foundation
28	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Pune, Maharashtra	2.44	2.31	2.31	Magmo Welfare Sanstha
29	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Pune, Maharashtra	2.48	2.32	2.32	Kalyani Social Welfare & Research Organization
30	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Surat, Gujarat	1.10	1.04	1.04	Ambuja Cement Foundation
31	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Varanasi, Uttar Pradesh	2.49	2.42	2.42	Jan Kalyan Maha Samiti
32	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Vijayawada, Andhra Pradesh	3.63	3.49	3.49	Vasavya Mahila Mandali
33	TB awareness & prevention programme	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	0.86	0.75	0.75	Apollo Tyres Foundation
34	Drinking Water Project	Promoting Preventive Health	Chinnapanduru Gram Panchayath	1.49	1.30	1.30	Piramal Water Private Limited
35	Promoting livelihood generation activities	Livelihood Enhancement Projects	Chinnapanduru Gram Panchayath	1.59	1.60	1.60	Rashtriya Seva Samithi & Help Foundation
36	Community solid waste management project; Clean My Village	Ensuring Environmental Sustainability	Clean My Village, Gujarat	4.24	4.08	4.08	Harsidhdhi Corporation Pvt. Ltd.

(₹ Million)

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through Implementing agency*
37	Skill building & income generation projects for the community	Livelihood Enhancement Projects	Waghodiya Taluka, Baroda, Gujarat	10.60	9.97	9.97	Apollo Tyres Foundation
38	General Health camps for community people	Promoting Preventive Health	Baroda, Gujarat	0.32	0.35	0.35	Apollo Tyres Foundation
39	Improved Farming Practices for community	Livelihood Enhancement Projects	Baroda, Gujarat	1.39	1.38	1.38	Shrishti Organics
40	Improved Farming Practices for community	Livelihood Enhancement Projects	Baroda, Gujarat	4.57	4.55	4.55	Shrishti Organics
41	Mass supply of protective gear & ration support	Eradication Hunger, Poverty & Malnutrition	Gurgaon, Haryana	3.00	3.00	3.00	Apollo Tyres Foundation
42	Mass supply of protective gear & ration support	Eradication Hunger, Poverty & Malnutrition	Chinnapanduru Gram Panchayath	0.80	0.79	0.79	Apollo Tyres Foundation
43	Mass supply of protective gear & ration support	Eradication Hunger, Poverty & Malnutrition	Baroda, Gujarat	0.30	0.29	0.29	Apollo Tyres Foundation
44	Mass supply of protective gear & ration support	Eradication Hunger, Poverty & Malnutrition	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	1.40	1.33	1.33	Apollo Tyres Foundation
45	Mass supply of protective gear & ration support	Eradication Hunger, Poverty & Malnutrition	Kodakara Panchayat, Perambra, Kerala	0.60	0.58	0.58	Apollo Tyres Foundation
46	Education support to under privileged children	Promoting Education	Delhi	0.70	0.70	0.70	Christel House India
47	Monthly Ration support for the under privileged people	Eradication Hunger, Poverty & Malnutrition	New Delhi	1.50	1.50	1.50	Delhi Langar Seva Society
48	Blanket distribution to under privileged rural community	Eradication Hunger, Poverty & Malnutrition	Delhi, Delhi	0.20	0.20	0.20	Taru Foundation
49	Monthly Ration support for the under privileged people	Eradication Hunger, Poverty & Malnutrition	Delhi, Delhi	0.20	0.16	0.16	DAVO NGO
50	Computer Training set up for under privileged women at Tezpur Assam	Promoting Education	Tezpur, Assam	0.50	0.50	0.50	Tezpur Mahila Samiti, Assam
51	Support to girl education	Promoting Education	Telangana	0.03	0.03	0.03	Shyamala Devi Junior College for Girls, Telangana
52	Awareness workshop on Peace	Promoting Education	Delhi	0.50	0.50	0.50	Delhi Chinmaya Seva Trust
53	Income generation training to mentally challenged people at Reddypalayam, Chennai	Promoting Education	Reddypalayam, Chennai	0.05	0.05	0.05	Cheshire Homes India - Chennai
54	Education support to 50 under privileged girls	Promoting Education	Dehradun, Uttarakhand	2.25	2.25	2.25	Himalayan School Society
55	Education support to under privileged children	Promoting Education	Gurgaon, Haryana	0.70	0.70	0.70	Madhavrao Scindia Foundation
56	General health & eye care treatment support to the under privileged rural community	Promoting Preventive Health	Gurgaon, Haryana	3.00	3.00	3.00	Sardar Ram Singh Kabli and Sardarni Harnam Kaur Trust

(₹ Million)

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57	General health treatment support to the under privileged rural community	Promoting Preventive Health	Delhi, Delhi	0.50	0.49	0.49	Delhi Commonwealth Women's Association
58	Income generation training to under privileged children	Promoting Education	Delhi, Delhi	0.20	0.20	0.20	Sri Guru Granth Sahib Vidya Kender Society
59	Community solid waste management project; Clean My Transport Nagar	Ensuring Environmental Sustainability	Clean My Transport nagar, Agra, Uttar Pradesh	2.37	2.32	2.32	Adarsh Seva Samiti
60	Community solid waste management project; Clean My Transport Nagar	Ensuring Environmental Sustainability	Clean My Transport nagar, Chennai, Tamil Nadu	0.47	0.44	0.44	Real Charitable Trust
61	Community solid waste management project; Clean My Transport Nagar	Ensuring Environmental Sustainability	Clean My Transport Nagar, Delhi	4.18	4.24	4.24	Apollo Tyres Foundation & Adarsh Seva Samiti
62	Community solid waste management project; Clean My Transport Nagar	Ensuring Environmental Sustainability	Clean My Transport nagar, Jaipur, Rajasthan	0.42	0.41	0.41	R K Sansthan
63	Impact Assesment of CMTN Agra & Delhi	Ensuring Environmental Sustainability	Clean My Transport nagar, Jodhpur, Rajasthan	0.59	0.59	0.59	Gramin Swabhiman Sansthan
64	Community solid waste management project; Clean My Transport Nagar	Ensuring Environmental Sustainability	Clean My Transport nagar, Kanpur, Uttar Pradesh	2.26	2.15	2.15	Adarsh Seva Samiti
65	Community solid waste management project	Ensuring Environmental Sustainability	Clean My Village, Chennai, Tamil Nadu	1.93	1.83	1.83	Help Foundation
66	Community solid waste management project	Ensuring Environmental Sustainability	Clean My Village, Chennai, Tamil Nadu	4.17	4.12	4.12	World Heritage Trust
67	Impact Assesment of Clean My Village	Ensuring Environmental Sustainability	Vallakottai & Sennakuppam Village, Kancheepuram District, Chennai, Tamil Nadu	0.40	0.40	0.40	Anthill Creations Foundation
68	Play structure in Govt. schools	Ensuring Environmental Sustainability	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	2.38	2.25	2.25	Sri Sun Flower & Frames Creations
69	Biodiversity-Greening work near pond and water plant area	Ensuring Environmental Sustainability	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	0.80	0.74	0.74	Sri Sun Flower
70	Tree plantation & Livelihood project	Ensuring Environmental Sustainability	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	1.11	1.06	1.06	National Agro Foundation
71	Tree plantation & Livelihood project	Ensuring Environmental Sustainability	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	3.56	3.56	3.56	TIST Tree Planting India Private Limited
72	Skill Development Programme-Youth	Promoting Education	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	1.93	2.01	2.01	Magic Bus & Apollo Tyres Foundation

(₹ Million)

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73	Computer literacy to Govt. School children	Promoting Education	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	0.81	0.72	0.72	Bhumi
74	Sanitation project-Toilet construction & Geo Tagging	Promoting Preventive Health	Mathur & Eraiyur Panchayat, Chennai, Tamil Nadu	5.26	5.24	5.24	Help Foundation
75	Sustainable Agriculture project	Livelihood Enhancement Projects	Chennai, Tamil Nadu	1.69	1.66	1.66	National Agro Foundation
76	Community solid waste management project;	Ensuring Environmental Sustainability	Clean My Village, Kodakara Panchayat, Kerala	5.81	5.81	5.81	PlanatEarth
77	Community solid waste management project;	Ensuring Environmental Sustainability	Clean My Village, Chalakudy Panchayat, Kerala	2.47	2.47	2.47	PlanatEarth
78	Pond management project	Ensuring Environmental Sustainability	Pond management project, Kodakara, Kerala	0.40	0.40	0.40	Kairali Gardens
79	Mangrove Project	Ensuring Environmental Sustainability	Thrissur, Kerala	3.87	3.87	3.87	Wildlife Trust of India & Apollo Tyres Foundation
80	Chalakuddy park maintenance	Ensuring Environmental Sustainability	Chalakudy, Kerala	0.20	0.18	0.18	Kairali Gardens
81	Skill generation in various trades for women	Livelihood Enhancement Projects	Kottayam, Kerala	4.72	4.72	4.72	Jawaharlal Memorial Social Welfare and Public Co-Operation Centre, Sandhya Development Society & Apollo Tyres Foundation
82	Raingaurd project for rubber tappers	Livelihood Enhancement Projects	Kodakara Panchayat, Perambra, Kerala	0.63	0.63	0.63	Apollo Tyres Foundation
83	Skill generation in various trades for women	Livelihood Enhancement Projects	Kottayam, Kerala	0.10	0.05	0.05	South Asian Rubber & Beta Rubbers
84	Skill Development Programme-Youth	Promoting Education	Kodakara Panchayat, Perambra, Kerala	0.22	0.22	0.22	3J Consulting Private Limited
85	Road Safety Awareness Programme	Promoting Education	Kodakara Panchayat, Perambra, Kerala	0.23	0.23	0.23	Graphin Communications
					TOTAL	**174.95**	
					Administrative Cost 5% of total expense	**8.75**	
					Grand Total	**183.70**	

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Place: New Delhi
Date: May 19, 2020

ONKAR S. KANWAR
Chairman of CSR Committee

NEERAJ KANWAR
Vice Chairman & Managing Director

ANNEXURE III

BUSINESS RESPONSIBILITY REPORT (BRR)

Business Responsibility Report of the Company for the financial year ended on March 31, 2020, pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:-

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L25111KL1972PLC002449
2	Name of the Company	APOLLO TYRES LTD
3	Registered address	3rd Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi- 682036 (Kerala)
4	Website	apollotyres.com
5	E-mail id	investors@apollotyres.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Tyres manufacturing
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Tyres, Tubes and Flaps
9	Total number of locations where business activity is undertaken by the Company	138 locations
A	Number of International Locations (Provide details of major 5)	Apollo has business activity undertaken in about 102 international locations. The major ones are Netherlands, Hungary, Middle East, Thailand, and Singapore. The Company has manufacturing units in Netherlands and Hungary.
B	Number of National Locations	Apollo has business activity carried out in about 36 domestic locations. The manufacturing units are located at Gujarat (Limda), Kerala (Perambra and Kalamassery) and Tamil Nadu (SIPCOT Industrial Growth Centre Oragadam, Chennai).
10	Markets served by the Company – Local/State/National/International/	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) ₹ 572.05 million
2. Total Turnover (INR) ₹ 108,327 million
3. Total profit after taxes (INR) ₹ 5,086 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) ₹ 183.70 million
5. List of activities in which expenditure in 4 above has been incurred:-

   During the year under review, the Company has carried out activities primarily related to promoting preventive healthcare, ensuring environmental sustainability, livelihood enhancement projects, rural development projects, promoting education and eradication of hunger, poverty & malnutrition.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):**

   At present, the BR initiatives have been undertaken at parent Company level.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:-**

   At present, the BR initiatives have been undertaken at Company level.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**
   a. Details of the Director/Director responsible for implementation of the BR policy/policies
      i. DIN Number:- 00058859
      ii. Name:- Mr. Sunam Sarkar
      iii. Designation:- Director

2. Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Ms. Seema Thapar
3	Designation	Company Secretary
4	Telephone number	0124-2721000
5	E-mail ID	investors@apollotyres.com

LIST OF PRINCIPLES

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy /policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national /international standards? If yes, specify? (50 words)(1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?(2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?(3)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link for the policy to be viewed online? (4)	Y	Y	Y	Y	Y	Y	Y	Y	Y
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

(1) The policies are in compliance with applicable national/international laws, rules, regulations, guidelines and standards. The policies are in conformance to the spirit of international standards like ISO 9001, ISO 14001 and OHSAS 18001.
(2) As per Company practice the policies that are approved by the Board are posted on the website of the Company www.apollotyres.com.
(3) The Business Responsibility(BR) Committee shall oversee the implementation of the Policies.
(4) https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies.

2a. If the answer to S. No.1 against any principle, is 'No', please explain why: (Tick upto 2 options)- Not Applicable

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles									
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The Company does not have financial or manpower resources available for the task									
4. It is planned to be done within next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

3. **Governance related to BR**

   (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

   The Business Responsibility (BR) Committee reviews the business performance annually and as and when required.

   (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   Yes, the Company publishes Annual Sustainability Report as a part of the Annual Report. From FY17, the BR Report was also part of the Annual Report. Both BR and Sustainability Report are published on the website https://corporate.apollotyres.com/en-in/responsibility/policies-documents.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

   The Company has designed a global "Code of Conduct Policy" ("Code") to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company including Associates, Subsidiaries and Joint Ventures.

   The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders.

   The Company has rolled out Code of Conduct mandatory online training for all the employees. The Code of Conduct explicitly guides our people on ethical dealings with external stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year under review, there were no cases on the violation of the Company's Code of Conduct. During the past financial year, 13 Shareholders Complaints were received and no complaints are pending as on March 31, 2020. All the Complaints were attended and resolved to the satisfaction of the shareholders.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   At Apollo Tyres, we follow state of the art and efficient manufacturing practices. Our Passenger Car Radial Tyres and Truck / Bus Radial Tyres are designed to meet all the international norms and are duly certified for that. These tyres do not contain any conflict materials and all materials used for making these tyres are REACH compliant. Also, all the tyres are aligned to the requirements of ELV norms. In FY20, Apollo improved fuel efficiency of all TBR and PCR tyres and improved presence in New BSVI vehicles and Electric vehicles. Apollo has released new fuel efficiency series tyre called nRG series in TBR, which is about 25% lower rolling resistance than our standard product. This series is expanded from 2 SKUs to 4 SKUs in FY20. This can reduce the fuel consumption of trucks by approx. 5 to 10 % depends on different vehicle configurations. Weight reduction has been a journey to reduce per tyre Raw Material consumption and also reduces the energy consumption for processing to produce the tyre.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   Comparative Details for FY20 against reference of FY19 on

   (i) Steam consumed per kg of product [Kg/Kg]: PCR – 3.1 % reduction

   (ii) Electricity consumed per kg of product [KwH/Kg]: PCR –3.2 % reduction

   (iii) Water consumed per kg of product [Litre/Kg]: PCR - 0.5 % reduction

   (iv) Tyre weight of PCR tyres reduced by 5% progressively: Thus, consumption of Hydrocarbon reduces and reduced carbon footprint per tyre.

   (v) Silica based tyre production for PCR category increased by 200% in last years and reduced fossil fuel based reinforcing agent carbon black consumption.

   (vi) Recycled material usage expanded to many components beyond Inner liner to reduce virgin material consumption by 7%.

   (vii) Nitrogen curing technology is developed to reduce the water consumption in both PCR & TBR products and it is being implemented in phase-wise manner in our new manufacturing facilities.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The rolling resistance of the PCR tyres are reduced through the year from 8.0 Kg/T to 7.0Kg/T. This translates into reduction of rolling loss and reduce fuel consumption without compromise in any other performances.

Retreading of Truck tyres is continuously being supported with more efficient techniques to provide extended life cycle of the tyre body material to 2-3 times, thus avoiding the need for frequent replacement.

Improvement of wear life for all PCR tyres beyond the 1L KM tyre ensures improved re-use of the non consumable part of tyres to a longer period.

Product failure rate is reduced by almost 15%, thus enhancing the application life of tyres and improve full usage of tyres till end of life.

Apart from nRG series fuel efficient series in TBR, we are reducing the RRc of all major SKUs by around 10%, which can reduce the fuel consumption of vehicles.

Apollo has developed all steel radial defence tyres in 14.00R20 & 16.00R20 to promote indigenization and thereby reducing logistics cost

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a Sustainable Supply Chain Policy for its RM suppliers, whereby it aims to work together with its supply chain partners on environmental, economic and social aspects of business to enable sustainable business practices in the supply chain.

In-line with its efforts towards sustainability, the company has joined the Global Platform for Sustainable Natural Rubber (GPSNR) to contribute in the improvement of Socio-Economic factors in Natural Rubber supply chain.

The Company believes that supply chain is a key contributor to the development and implementation of its Corporate Social Responsibility Programme. As a leading responsible corporate, the Company expects its Business Partners to consider social and environmental impacts of their actions as they conduct their businesses. The focus in the upstream supply chain extends to sourcing of raw materials, their processing, and their use in the manufacture of intermediate and final products.

In order to drive the implementation of the Sustainable Supply Chain Policy in its upstream supply chain, Apollo's Partnership Pact (APP) has been rolled-out to its business partners in the upstream supply chain. Business Partners are expected to ensure their operations and the products supplied to Apollo Tyres comply with all national and other applicable laws and regulations.

The Raw Material suppliers are expected to comply with Apollo's Partnership Pact (APP) and integrate environmental, occupational health & safety, ethical practices, human rights and labour policies into their business and decision-making processes.

At present, most of the business partners have committed to Apollo's Partner code of conduct. The compliances to APP are verified during on-site supplier audits. The scope of audits covers various elements like quality management system, environment standards, occupational health and safety standards as well as others as per Apollo's Sustainability standards and Apollo's Partnership Pact. The supplier audit is conducted by Apollo's trained professionals as per the Company's audit criteria and plan.

The Company encourages its suppliers to implement Apollo's Partnership Pact not only in their business but also to promote this initiative to the next tier suppliers within their respective supply chains. In this regard, suppliers are expected to gather information from the upstream supply chain regarding the source of raw material that are used in their manufacturing process to ensure the full traceability of the source of product as a part of Apollo Raw Material Supply Chain Risk mapping.

The Company encourages its suppliers to implement environmental standards at their workplace with ultimate objective of getting certified for ISO14001 – Environmental Management Standard. Currently, most of its suppliers are ISO 14001 certified, complying with local government laws and regulations.

The Company is continuously working on optimizing transportation, logistics and packaging in order to reduce carbon footprint and other environmental impacts. The Company also emphasises on usage of environment friendly, re-usable, recyclable packing material like returnable pallets, returnable metal boxes, returnable metallic spools for the supply of raw material to its manufacturing plant locations globally. The packaging of raw material should be "wood-free". It also ensures that the raw material sourced is free from chemicals impacting environment and complying with international norms.

Along with the guidelines to safeguard the environment, the Company has set-up natural rubber processing units to support the community nearby and empower women. Furthermore, health check-up facilities were provided by the Company to promote socially responsible practices amongst partners in the region.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
   a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   The Company promotes a policy towards encouraging local procurement from domestic suppliers in the respective regions as a purchasing principle and in this regard, all other things being equal, the organisation prefers domestic suppliers because of benefits like proximity to Apollo's plants, lower transit lead times, need to maintain lower inventory and lower carbon footprint.

   The Company has initiated and established natural rubber collection centres near its plants and provides employment opportunities to the nearby communities. The Company has also been providing training to the employees in aforesaid centres to enhance their skills and capability.

   The Company has initiated partnership program with select suppliers for training and development activities towards promotion of safe work culture and practices at the supplier plant premises. The Company aims to develop & upgrade its raw material suppliers by educating and encouraging them on measures, to reduce and ultimately eliminate incidents at its workplace which may lead to human injury and illness. The supplier assessment for safety culture at workplace includes on-site assessment of the selected suppliers in a region for safety culture at workplace.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.**
   Yes, Apollo encourages its Raw Material vendors towards reduce, reuse and recycle concepts in their operations and expects that its vendors to run their manufacturing operations in a manner that is protective of the environment.

   In this regard, reclaimed rubber usage stands at 1~2 % to replace virgin rubber in the rubber compounds.

Principle 3

1. **Please Indicate Total number of employees-** 14170
2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis-** 6397
3. **Please indicate the Number of permanent women employees-** 66
4. **Please indicate the Number of permanent employees with disabilities-** 15
5. **Do you have an employee association that is recognized by management?**
   Yes
6. **What percentage of your permanent employees is members of this recognized employee association?**
   Limda - 53.70%
   Perambra -90.61%
   Chennai - 77.57%
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
   No complaints relating to child labour, forced labour, involuntary labour, sexual harassment has been received during the last financial year ending on March 31, 2020.
8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Permanent employees	80%
Permanent women employees	Not Captured
Casual/Temporary/Contractual Employees	100%
Employees with Disabilities	Not Captured

Principle 4

1. **Has the Company mapped its internal and external stakeholders? Yes/No**
   Yes, employees, customers (OEM), consumers (replacement) and dealers, suppliers, investors and analysts, shareholders, regulatory bodies and community are identified stakeholders for the organization.
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**
   Yes, community (Women and Children), consumers (replacement: Truck Drivers) are identified as vulnerable and marginalised stakeholders by the organization.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   Sustainability and Social Responsibility are inherent components of organisation's corporate strategy. The CSR Programmes are targeted towards bringing positive change in the lives of identified stakeholders. The CSR initiatives are developed focusing on the local needs of the community. The CSR programmes and activities are aligned to national and Sustainable Development Goals. A few programmes are -

   1. Healthcare for Trucking Community (customers);

2. Solid waste and Sanitation Management (community, environment);
3. Livelihood and income generation for underprivileged women (Community); and
4. Improved farming practices (Community).

The Company also does some philanthropic work for underprivileged communities through Taru Foundation like –

1) Supporting a hospital for rural people;
2) Supporting education for girls;
3) Monthly ration support to the abandoned people; and
4) Support the education of specially abled children.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Respect for human rights is fundamental part of the DNA of the Company and the communities in which we operate. In our Company and across our system, we are committed to ensure that people are treated with dignity and respect. The Company promotes the awareness and realization of human rights across our value chain and among our stakeholders.

The Company believes in core Apollo Value of "One Family" where every individual is respected and is treated equally, regardless of caste, color, nationality etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any Stakeholder Complaint during the past financial year regarding Human Rights.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Policy related to principle 6 is limited to parent Company. All manufacturing plants are ISO 14001:2015 certified. Environmental indicators are part of vendor assessment criteria for upstream suppliers.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has strategies to address global environmental issues. The Company also has a sustainability statement that covers the aspects of environment conservation and community development. Various sustainability initiatives taken by the Company includes energy management, waste reduction, emission reduction, water management, and biodiversity conservation. Below are the projects to mitigate climate change:-

a) Tree plantation and Livelihood Generation Programme

Our afforestation project has a two pronged focus on carbon sequestration and livelihood generation for farmers in the water starved areas of Tamil Nadu. This project is being carried out in Kanchipuram, Tiruvannamalai and Tiruvallur districts in Tamil Nadu. Through this project, a total of 350,000 trees have been planted since the inception of this project in 2013. We have been able to sequester over 17,500 tonnes of CO_2 from the plantation project.

b) Renewable Energy: Use of Biogas

Within the Climate change mitigation strategy, we are promoting the use of biogas in villages near our manufacturing location in Limda, Gujarat. Apart from providing an eco-friendly alternative source of energy, the programme offers additional benefits of organic manure from slurry, utilisation of cow dung (which is a solid waste) and savings accruing from fuel replacement from LPG to Biogas. We provide individual household type Biogas units. Since the inception of the project in 2016, a total of 230 units have been installed.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, environmental aspects & impacts are assessed and reviewed periodically by the management. Organization strive to minimize impact on environment by developing environmental improvement programs and operational control procedures. All manufacturing plants are certified for ISO14001: 2015 and environmental risk and controls reviewed by third party auditors.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, combining effective strategy with practical measures is key to achieving successful energy management. We focus on reducing our energy consumption by being energy efficient. There are several initiatives that were undertaken during the reporting period in the Indian Operations which resulted in energy savings of 69,664 GJ. We are continuously making efforts to achieve energy efficiency through improvements in our process design, conversion and retrofitting of equipment and use of energy efficient equipments.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Emissions concentration across all our operating units are under prescribed limit.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   There were no show cause notices issued or pending in the reporting period.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**
   Yes. The Company actively engages with Industry bodies. The major bodies in which the Company is a member are listed below –

   a. Confederation of Indian Industry [CII]
   b. Federation of Indian Chamber of Commerce and Industry [FICCI]
   c. PHD Chamber of Commerce and Industry
   d. Society of Indian Automobile Manufacturers
   e. Automotive Tyre Manufacturers' Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   Yes, the Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. As a member of the Automotive Tyre Manufacturers Association (ATMA), the Company strives to be an active participant in policy making process of ATMA and also is a frequent participant in the meetings with the Government departments to discuss the challenges being faced by the industry in the ever-changing economic environment. Mr. Satish Sharma, President (APMEA) and Whole-time Director of the Company, was the past Chairman of ATMA.

   The Company has a Public and Regulatory Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/Industry bodies.

Principle 8

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**
   The CSR strategy focuses on combining corporate goals with development goals. The strategy is to enable inclusive growth by building on key partnerships and linkages to optimize the existing resources in reaching out to more people.

   The CSR framework of Apollo revolves around the principle of three I's i.e. Involve, Influence and Impact its stakeholders. All the CSR activities are implemented by a Trust Apollo Tyres Foundation, registered in 2008. Since our stakeholders have been identified as our key concern, our strategy includes active stakeholder engagement.

   The CSR initiatives of the organisation are categorised in two themes - Environment and Social (which has health and community development). Within the themes, there are 4 core areas of work highlighted below:

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

   In addition to the above there are a few Local Initiatives across around our manufacturing locations. These are Watershed Management and Renewable Energy Proliferation projects under Environment, and Road Safety Awareness, Computer Literacy under Social.

   Further, the organisation also undertakes philanthropic initiatives through Taru Foundation.

   1. Healthcare for Trucking Community:
      Over 70% of Apollo India operation's revenue is through the sale of truck tyres. Truckers are our key customers. Being mobile population in an unorganised sector, they are vulnerable to health risks including HIV and STI. To mitigate the health risk the organisation started its HIV/AIDS awareness and prevention programme in the year 2001. Over the years in India HIV prevalence has gone down.

      Due to less prevalence of HIV and emerging cases of vision problem, hypertension, diabetes the organisation consolidated its health initiative and expanded its services from HIV prevention and awareness to other emerging diseases.

      The programme provides healthcare services such as Awareness and Prevention of HIV-AIDS, Vision Care, Awareness on Tuberculosis, Detection of other Non-Communicable Diseases such as Diabetes and High Blood Pressure and General Treatment facility.

      Preventive healthcare programme for the trucking community is a key initiative run by the organisation. Under this initiative the organisation runs 32 Healthcare Centres (HCC) in the transshipment hubs spanning across 19 Indian States. The healthcare centres are equipped with qualified medical doctors, paramedic staff, counsellors and outreach workers.

Services Under Healthcare Programme:

a. **HIV-AIDS Awareness and Prevention Service** 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, or volunteers such as small restaurant ('dhaba') owners, mechanics, barber shop, are the vital connect between the organisation and the beneficiaries as they reach out to the target audience at the most opportune time. They play an important role in creating awareness about health services and referring the beneficiaries to healthcare centres for availing the treatment facilities.

   In the reporting year total 978 active peer educators were engaged in disseminating the awareness.

b. **Vision Care Service** is targeted towards addressing the vision related problems faced by the trucking community. India is home to a third of the world's blind population. The country has about 12 million individuals with visual impairment as against the global total of 39 million according to a report published by the National Programme for Control of Blindness (NPCB).

   Provision of Access to eye care services in remote population is always challenging due to pragmatic reasons. Apollo Tyres initiated its vision care initiative in the year 2015. The programme provides doorstep solution for vision care problems. All healthcare centres have specialised vision testing facility and periodic vision testing camps are also organised in the transshipment hubs.

   Beneficiaries identified with refractive error issues are provided with the low-cost spectacles and cataract patients are linked with the nearby government hospital for further treatment.

   In the reporting year total 73,353 people availed vision screening facility out of which 36,910 people were identified with refractive error issue and 11,222 people bought spectacles.

c. **Tuberculosis Awareness and Treatment** initiative is initiated in partnership with The Union (US AIDS). The Mobile population of truckers and helpers are at higher risk of HIV and TB infection. Collaborative TB prevention and management activities are essential for reducing the burden of TB disease and achieving favourable outcomes.

   Under this service, sputum testing, conducting regular awareness and linking positive patients with government DOT centre are offered.

   In the reporting year, the programme established 02 TB testing and Treatment Centre at Agra and Gwalior locations respectively. Total 12 locations provided service for TB treatment.

d. **Diabetes and Hypertension** are identified as 2 lifestyle diseases which affect the health of the trucking community. Due to lifestyle, trucking community is more vulnerable and at higher risk of non-communicable diseases. During our OPDs an increase in diabetes and high blood pressure cases amongst trucking community was observed, therefore the organisation started screening of diabetes and hypertension. At all the HCC diabetes screening and blood pressure check-ups are conducted.

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

   In the reporting year total 149,942 people availed general treatment facility.

e. **Mobile Medical Units (Apollo Tyres Healthcare Express)** have started to provide healthcare services to the long-distance truck drivers who do not get the opportunity to visit the healthcare centres. The mobile medical unit provides its services at the highways, district borders and trucking halt points. The main objective of this service is to provide doorstep healthcare facility for the trucking community.

   There are five (5) mobile medical units (Apollo Tyres Healthcare Express) operational out of which one was inaugurated in reporting year. The organisation also organises health camps (under the project name - **Sakushal Saarthi**) for the employees of its fleet owners.

   In the reporting year total 26,871 people availed services of Mobile Medical Unit (Apollo Tyres Health Care Express) and 12,747 people were benefitted from 220 Sakushal Saarthi camp.

f. **Oral Hygiene** is the recently added service in the healthcare programme. It was observed that majority of the truck drivers are indulged in addiction like tobacco consumption (smoke and smokeless) and other substance abuse due to various reasons. Poor oral hygiene was identified as the health risk for this category, as poor dental health increases the risk of a bacterial infection in the blood stream, which can affect the heart valves. The organisation started an integrated health camps focusing on oral hygiene with the objective to generate awareness related to risks associated with oral health and screening of oral cancer. At Delhi, the programme is linked with Rajiv Gandhi Cancer Hospital for this initiative.

In the reporting year total 506,743 people were outreached from awareness activities and 173,827 received treatment facility. 8.25 % increase was recorded in FY19 for people availing treatment services in comparison to the previous year. Out of the total people treated in the reporting year, 50,857 people opted for HIV testing, 73,353 for vision screening and 59,162 for diabetes testing. Total 1,232 TB tests were conducted.

2. Solid Waste Management and Sanitation (SPARSH):

Aligning with national agenda 'Swachh Bharat Abhiyan', the organisation has started Solid Waste Management and Sanitation programme (SPARSH) in 2013.

SPARSH stands for –

S – Segregate Waste; **P** – Practise Composting; **A** – Awareness Generation; **R** – Reduce, Reuse & Recycle; **S** – Safe Sanitation; **H** – Hygiene for All. The strategy of SPARSH remains to engage with its stakeholders create awareness on the 3 R's, i.e., Reduce, Reuse and Recycle.

There are four projects under SPARSH: Clean My Transport Nagar (CMTN), Clean my Village (CMV), Sanitation Management and End of Life Tyres Playground (ELT).

The organisation started an initiative named Clean My Transport Nagar (CMTN) and Clean My Village (CMV) with the objective to improve the waste management and cleanliness of identified transshipment hubs and villages in India. CMTN caters to needs of the customers in transport hubs and CMV targets towards communities around our manufacturing locations. The key features are door to door waste collection, cleaning of roads/ lanes, segregation of waste, composting from wet waste and awareness generation.

In the reporting year total 16,891 [13,378] people were outreached from door to door waste collection activities and 14,219 [13,310] people were from awareness activities. Out of total 1763 [1713.3] metric ton (MT) waste collected, 8% was biodegradable waste.

Further to promote total sanitation programme the organisation has also constructed toilet with bathing space for the underprivileged communities around Chennai manufacturing location. The organisation constructed 122 toilets with bathing space in Chennai. Around 488 people are directly benefitted from the newly constructed toilets.

Another important initiative under this category is construction of End of Life Tyre spaces. In the reporting year, to promote recycling of waste the organisation has constructed 5 [2] playgrounds made from end of life tyres (ELT) at different locations. Total 290 [116] waste tyres were used in construction of ELT play structures. Over 500 [140] number of people utilised the ELT spaces.

3. Livelihood Initiative for underprivileged women (NAVYA)

The involvement of women in the workforce empowers the women and the community. In India, participation of women in the labour market is extremely low with total workforce participation rate of women being 25.5% (Census 2011). Women are deterred from entering the workforce because of the lack of economic incentive, access to opportunity, patriarchal system and an encouraging ecosystem.

To address the above problem the organisation started an initiative, Navya, for providing livelihood opportunities at the doorstep of the underprivileged rural women. The Programme promotes and strengthens SHGs by inculcating the habit of savings and enforcing credit discipline.

Women are trained in agriculture and non-agriculture activities such as rubber sheet making, apiculture (honey production), khakhra making, organic farming, livestock care and management and others for income generation. Various capacity building sessions are being taken up to build the core strength of the beneficiaries. Trained women are further linked with financial institutions for credit support to start their enterprise and market linkages are also established to promote the business of the women. The programme continues to support the women on an ongoing basis through refresher training programme and establishing further linkages for the women.

The programme aims to economically empower the women and making them self-reliant through provisioning of credit and livelihood enhancement initiative to the well-being of women and their families.

In the reporting period, a total 3,160 women were outreached and 2,035 received income generation training in farming and non-farming activities. Out of the total trained population, 1,938 women are engaged in income generation activity.

The programme also promotes government linkages to support the rural women and their families in order to provide a 360 degree support. Beneficiaries are linked with various government schemes. In the reporting year the programme has linked over 4,400 women and their families with various central and state government runs schemes such as Ujjwala Yojana, Deen Dayal Awas Yojana, Kudumshree loans for scaling up business and others. The programme also registered around 10 income generation units in Kerala with Udhyog Aadhar and Small-Scale Industry registration.

Additionally, the programme also supports the male farmers by providing them knowledge and technical knowledge in improved farming practice and livestock care and management. The farmers are trained in improved farming practices like fodder management, seed selection, organic farming, cattle rearing and others. Farmers are also linked with various Government agricultural schemes. Over 800 male farmers were benefitted through the schemes.

The organisation also supports the youth by providing them soft skill training for preparing them for future employment opportunities. ITI and unemployed graduates from Chennai and Cochin locations are provided with training like career counselling, employability skills, basic computer education. During the reporting year, 400 students were trained under this initiative and around 100 students got jobs.

4. Biodiversity Conservation

Biodiversity Conservation is a global initiative for Apollo Tyres, wherein projects are undertaken in Hungary and Netherlands. In India, Mangrove conservation is a key initiative, implemented in Kannur district, Kerala. This initiative aims to conserve the mangrove with the focus on restoration of endangered mangrove species.

The actual site of the mangrove conservation project is in Kunhimangalam village in Kannur district, which is the largest mangrove village in Kerala. The organisation has partnered with Wildlife Trust of India (WTI) for the implementation of the project.

The organisation engages with youth, local community, researchers, local bodies and policy enforcement personnel for awareness generation. As a part of the mangrove restoration activities over 5,000 mangroves saplings were planted in nearly 6 acres of area, previously known as mangrove areas in Kannur. The programme also developed draft mangrove conservation action plan for 3 panchayats of Kannur District and engaged with 05 local colleges for conducting research.

The programme organised an interstate Environment and Nature Quiz for college students, from the States of Kerala, Tamil Nadu and Andhra Pradesh, with the objective of creating awareness on mangrove, environment and nature conservation. Photo exhibition and nature camp activities were also organised for sensitising community related to mangrove conservation. In the reporting year, over 37,000 people were outreached from various awareness activities.

The organisation has also contributed towards mitigation of climate change with the help of projects like usage of biogas units and afforestation, whereby the organisation has planted a total of 350,000 teak and red sandal trees in Tamil Nadu for emission reduction. As per estimation, over 17,500 tonnes of CO_2 has been sequestered from these trees.

In Limda, Gujarat, Apollo Tyres is working on biogas utilisation as a mainstream cooking fuel in the villages. The women have already started realising the benefits as this has freed them from long walk to fetch wood and save time as well. That available time is invested in income generation or to spending with the family.

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 the local initiatives are given below:

Access to purified drinking water: The organisation has set up a RO drinking water plant at Orgadam village, Chennai. Through this initiative beneficiaries have access to purified drinking water. Around 580 households and over 2,500 people are availing the drinking water facility. In the reporting year 417,012 litres of water was dispensed through RO plant.

Eco restoration of Ponds: The organisation has mapped the condition of water bodies through research study in the communities around the manufacturing locations. Based on the findings the organisation has restored few ponds in Chennai, Limda and Perambra locations. The main objective of this initiative is improving the condition of water bodies, restoring and enhancing the aqua biodiversity. Total 10 ponds have been restored by the organisation through pond deepening, desilting, bunding and maintenance activity.

Road Safety: Under this initiative the organisation conducted sensitisation and awareness activities with road users, college students and truck drivers. Road safety boards were installed at the roadside at Chalakudy and Perambra location. The organisation partnered with Maruti Driving school and local RTO department for conducting road safety awareness sessions. First AID training sessions were also conducted for the beneficiaries. Over 200 people were directly benefitted.

Computer Literacy project runs in 06 primary schools around Chennai manufacturing location. The main objective of this initiative is to impart technical knowledge and skills related to computer and information technology. Computer literacy will enable the students to prepare themselves with the current job market. The organisation has established a computer lab in each school along with computer teacher to train the students in digital learning. Total 401 students are benefitted with this initiative in the reporting year.

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. In the reporting year education of 30 underprivileged girls were supported, around 1,800 poor people received healthcare facility and over 500 destitute people received food on monthly basis.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   All the CSR activities of Apollo Tyres are routed from Apollo Tyres Foundation (ATF) which was registered in 2008. There is an in-house team of experts and field staff to undertake the CSR activities.

   The organisation follows a strategic approach towards the implementation of the programme. The idea is to maximize outreach through strategic partnerships in order to avoid duplication of efforts, thereby ensuring optimum utilization of the available resources. For this, it is important to establish key linkages with government and other support agencies to ensure healthier stakeholder engagement for a sustainable programme.

   A Public Private Partnership (PPP) model thus comes into focus as it helps in synergizing efforts collaboratively towards common goals in the most effective way. The programmes have partnered with different likeminded corporate and government agencies to not only increase the reach but also a gamut of services.

   For instance, Partnership with Essilor Vision Foundation to provide vision care in Healthcare programme; partnership with UNICEF to provide healthcare to our women beneficiary so that livelihood units are not disrupted. Partnership with The Union, US AIDS to provide technical expertise to our staff and work on Tuberculosis. Other partnerships such as Ashok Leyland, Ambuja Cement to not just increase the resources but also the reach of the programme.

   Under community development partnerships were established with National Rural Livelihood Mission for credit linkage, NABARD for livelihood training for underprivileged women, Agriculture Universities and Agriculture Training Management Agency (ATMA) for agriculture and livestock development related trainings and others.

3. **Have you done any impact assessment of your initiative?**

   The organisation conducts periodic assessments of the programmes. Initiatives which complete 3 years of work, a midline assessment is conducted; and initiative which compile 5 years of work, an impact assessment is conducted.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Broad Areas of CSR Programs	₹ Million
Ensuring environmental sustainability	40.93
Eradication hunger, poverty & malnutrition	24.56
Livelihood enhancement projects	8.10
Promoting Education	7.86
Promoting Preventive Health	93.50
Total	**174.95**
Administrative Cost (5% over total expense)	8.75
Grand Total	**183.70**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

   Under livelihood for underprivileged women programme over 2,000 women have received organic farming training. All the beneficiaries have adopted 100% organic farming practice and growing organic vegetables. Through this, women not only ensured the healthy food consumption for their families but also getting better price for organic produce.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company has a robust system for addressing customer complaints. As on March 31, 2020, there are no customer complaint pending. The total number of legal cases pending are 225 at Pan India level.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   The Company adheres to all legal requirements with respect to product labelling and display of product information. All data as per current laws are available on the tyre sidewall. Product labels are available on PCR Tyres as of now basis current laws in India.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   In various Consumer cases complainants allege about unfair trade practice by Apollo on warranty policies. No indent of such complaint in Competition Commission except a pending CCI case initiated on the complaint of a dealers' federation i.e. AITDF.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company regularly engages with customers through call center to get their feedback on the resolution provided for complaints registered through various channels to gauge their satisfaction levels. The Company has also empowered dealers with AQS (Apollo Quick Service) App for on the Spot complaint disposition resulting in quick turn around and enhanced satisfaction trends for year under review. The findings of the feedback study are used to improve existing systems & processes in alignment to organizational goals.

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 19, 2020

ONKAR S. KANWAR
Chairman & Managing Director

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

A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

Implemented Energy Management Standard (EnMS 50001) across all Apollo Plants which helped to improve & sustain energy performance at Work Centre. Also necessary preparation is made for adopting improved version of ISO 50001 from 2020.

The Energy Saving Projects (energy consumption reduction, Improving utility generation efficiency, heat recovery projects) identified in the process of practicing ISO 50001 are implemented across locations. Recently concluded Energy audit for continuation of ISO 50001 showed improvement in energy performance.

Energy Projects & Activities strengthened up:-

- New Improvement opportunity identified in Utility system (Chilled water, Steam & HVAC) and study of Distribution network to identify gap & opportunities for improvement.
- Energy Efficient LED Light deployment/replacement activities continues across all plants to reduce fixed consumption.
- Forward planning for optimized usage of energy sources (Direct & Indirect) to control cost.
- Implementation of SCADA system to Monitor, Analyze & Control process side specific consumption.
- Horizontal deployment of identified energy saving projects analyzed & reviewed for improving group's energy foot prints.
- Improvement carried out at coal fired boilers to reduce the in-house steam consumption of power boiler.
- Strengthened up training to identify the energy efficiency improvement projects.
- Focused Energy review meetings by Management.

(ii) Steps taken by the Company for utilizing alternate sources of energy

In this year on- site Solar Energy generation was increased by 9.3 MW in addition to the capacities built up earlier. Additional on-site solar Energy Generation of 3.9 MW is projected to implement all across the location during the current year. Over and above off-site Solar Power Plant of 30MW is also projected to scale up alternate Energy usage.

(iii) Additional investment and proposal for reduction of energy usage: (Investment in Energy front to reduce cost & consumption)

This year also continued to identify energy saving projects which can be implemented horizontally all across the location that will improve sustainability and profitability.

- Deployment of energy efficient products to reduce fixed consumption.
- Energy saving projects identified for more efficient usage of utilities.
- Replacing old energy inefficient equipment's with more energy efficient equipment with quick & attractive payback period along with proper life-cycle assessment done.
- Power Generation by installing back pressure steam turbine generator.
- Energy saving projects related to Heat conservation identified.
- Alternate method for curing being looked into to reduce the water consumption.

B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards Technology absorption

Apollo, as a leading tyre manufacturer with global aspirations considers Research and Development as one of the major pillars of its growth. Developing path breaking technology and creating products that exceed customer expectations being the vision of R&D, customer centric product development is central to Apollo's growth. Apollo's commitment to realizing its vision has led to the development of many innovative products in FY20.

The year gone by has seen Apollo introducing many winning products into markets. The Company had added more sizes to its nRG series (Fuel efficient) of TBR tyres and achieved significant volumes in this TBR segment. The Company has also developed TBR tyre for electrical vehicles which are under various phases of testing. The Company achieved significant business with its zero degree steel belted motor cycle radial tyres in Alpha series in India and is planning to introduce high performance motor cycle radial tyres in Europe markets soon. Apollo's R&D has strengthened its IP department to create and protect intellectual property which is key for secure & sustainable business activities. Apollo has applied for several patents in FY20 for which the IP department of APMEA R&D was awarded by Niti Aayog for "Excellent contribution in the field of patents".

Apollo is the sole supplier for some of the large selling vehicles in India and also the single source for many ongoing development projects for some of the prestigious models of Skoda, VW, Hyundai etc. In appreciation of our association, Apollo was given several awards by OEMs. New OEMs in India like KIA, MG Motors, Peugeot/Citroen etc. have preferred us as a development partner. Several collaborative research work have also been initiated with various reputed universities and institutes in India such as; IITs, BITS, CUSAT, MIT, SRM etc., and overseas universities such as; IPF, Centire Virginia Tech etc.

Raw material and Compound development division of R&D has made significant progress in niche compound development using new generation polymers. Intensive research on resins and its chemistry have enhanced the optimized use of the same for cutting edge performance. The introduction of coupling agent for carbon black will help improving the RR without compromising on other performance especially in APMEA market. Reinforcement filler technology is getting shifted from conventional material to tailor made materials with very specific properties. introduction of specially functionalized SSBR which improves the interaction with carbon black can lead to significant improvement in product performance.

New generation steel cord with higher tenacity is being introduced. New materials are developed to de-risk the production from the ever increasing list of REACh and PAH free materials. Focused research by material group have increased the consumption of greener and more recyclable materials. This helps to keep the environment greener by reducing dependency on materials made out of fossil fuels. Company spends substantial amount of money and resources towards R&D among all the Indian Tyre Companies.

Apollo R&D, in a unique Government – Corporate partnership, collaborated with Global Automotive Research Centre (GARC) to establish the first of its kind test track in India, in the southern state of Tamil Nadu, for testing wet grip of tyres, which is one of the primary safety tests. Apollo Tyres provided the technical expertise to get the track ready for testing wet grip of tyres and became the pioneer in getting approval for labelling and certification tests conducted in India. It has also set up a full-fledged Advanced Vehicle Testing sub-function for enhancing tyre characterization capability on real world application scenario. New tyre characterisation capabilities like High Speed Uniformity, Flat spot testing, 3D Mensuration etc. along with the niche skilling of subjective evaluation team in association with Japanese experts, augmenting the development of high traction, better ride comfort tyres for electric vehicles and luxury/premium segments. Newly installed testing capabilities like Quasi-static footprint and 3D metrology for Off highway tyres; wheel force transducers and wheel pulse transducers for Commercial vehicles, Steering robot and Tyre cavity sensors for passenger vehicles help to design tyres to meet and exceed discerning customer demands in all product categories. Physical simulations were developed to assess and find solutions for field failures such as crown separation, rim digging etc. With the continuous efficiency improvements through automation and integration of sensors in assessing tyre duty cycle, tyre validation in real world scenario became quicker and more reliable.

All these developments have resulted in overall reduction of developmental lead time and thus enabling speed to market. R&D tyre test center, accredited with ISO/IEC 17025:2017 by NABL, is thriving as a state of the art laboratory with continuous capability enhancement to develop new tyre technologies.

R&D has reinforced its Advanced design studio with world class talents in industrial design. The Company has recruited industrial designers from IDC IIT Mumbai and NID which are leading design institutes in India. This facility has already developed aesthetically superior and differentiated products in various product categories. Many OEMs and customers have made positive remarks about the superior looks of Apollo's products in PCR, 2 Wheeler, TBR and Farm categories.

Advanced engineering division of R&D has developed unique competencies in Artificial intelligence, Machine learning and advanced data analytics which are utilized in many process-automation projects in various plants of Apollo. These projects will become part of the larger Industry 4.0 initiative of Apollo to convert its plants into smart factories. Advanced engineering also developed various sensors that will make tyre more intelligent and communicating with vehicle systems. These technologies are in final stages of development and will be introduced into the market at an opportune time to support the business.

The Company strengthened its simulation capabilities to reduce product development time. The vision of R&D is to move a good amount of physical testing to virtual testing with reliable predictive capabilities. Some of the recent developments are; Drag force prediction, Implementation of F Tire model for Passenger Car tyres for using in vehicle dynamics study and simulation of impact failures of PCR tyres.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Apollo enjoys leadership in Truck bus radial business and maintaining leadership in this growing segment is a priority for R&D. The Company has developed several new products in key segments which will help in its continued leadership journey.

Tyres for Defence Application

As part of indigenisation and as per make-in-India initiative of Indian Government, Apollo has developed exclusive, first of its kind Radial defence line up. Company's products have qualified the critical tests of FINABL and sand trafficability in key sizes which are close to getting approvals.

Launch of Energy Efficient Series

Energy being a critical resource, Apollo have launched nRG series in FY19, and have a sales volume of 11,000+ tyres in Steer and All wheel fitment position in FY20. Approximate Energy saving from conventional to nRG series is 10%. We have added 2 new SKUs to this series.

Products Launched are:

1. 295/90R20 EnduRace RA nRG
2. 10.00R20 EnduRace RA^T nRG

New SKUs added are:

3. 295/80R22.5 EnduRace RA^T nRG
4. 10.00R20 EnduRace RD nRG

Other New products introduced are:-

1. Additional SKUs for improving the export potential like 315/80R22.5 SOD, 12.00R20 MA & SOD and 12.00R24 & 325/95R24 SOD.
2. For mixed application tipper segments in India – 11.00R20 Endutrax MA & MD.
3. Low RR tyre for specific OEM – 295/80R22.5 HA
4. Developed 2 SKUs for LCV segments – 9.5R17.5 RA & 7.50R16 MA2

In the cross ply truck segment, one significant development has been an exclusive cross ply trailer tyre with an innovative transforming tread design. This feature provides stability to shoulder ribs to resist shoulder damages and enhances free rolling required in a trailer applications. This tyre also offers comparable tread life with 5% lower weight against a typical premium rib tyre.

In the 2W Product Category, the Company has made a strategic move towards radialisation of bias segment with Zero-degree radial Technology. This development will ensure a much safer and better situation for the motor cycle riders in the segment. New high mileage tyre with the latest motorcycle radial technology -Zero-degree steel belt radial developed for the commuter motorcycle segment as a retrofit replacement for the bias construction tyres. This new technology product will roll out under the product name "Alpha S1" in two mass market sizes 110/80 R17 and 120/80 R17.

The mileage potential of these tyres are superior by approx. 50% higher than respective bias construction tyres when operated in the same service conditions. The tyres also provided very good anti-skid and grip performance demanded by this motorcycle segment.

Motorcycle Radial tyre for High power Sport Touring motorcycle segment up to 1200 CC with USP of Superior Wet handling and breaking performance.

With an objective of developing Motorcycle Radial tyre for high power motorcycle segment, the Company has taken initiatives to develop suitable technology based on 'zero degree' steel belt technology with superior wet grip tread based on silica. Being a highspeed application, key emphasize was given for both dry grip and wet grip with very good stability on braking especially on track and motorway. The first set of 3 SKUs are released for EA market under the product name 'Centauro ST' in Vredestein brand. These sizes have been proved for versatility for application in different bike models like Yamaha, Triumph, Suzuki, Kawasaki and BMW up to 1200 CC engine power.

In Off-highway category, the Company developed compounds with higher synthetic rubber content to compensate the price fluctuation of different grade rubbers. Some of the significant developments in this category are:

- Development and establishment of exclusive puddling special tyres which can effectively eliminate the use of case wheel resulting in improved crop yield, avoiding road damaging.
- Development of niche product exclusively for crane front application.
- Successful re-designing re-engineering of Krishak Gold series resulting in 7-8% lower tyre weight without compromising the performance.
- First tyre manufacturer to develop and introduce tyre size 15.9-28 to bridge the gap between 16.9-28 and 14.9-28 in Agri segment.

In passenger car tyre segment, Apollo's R&D has perfected Low RR technology without compromise on wear life. This technological capability helped the Company to secure its strong presence in all new BS VI vehicles.

Apterra Cross, a special tyre for upcoming segment of compact SUVs was developed. Requirement of this segment is complex as they need low rolling resistance with good NVH and handling characteristics. Robust looks with good life and traction in on/off terrains also make this tyre a winning product.

Process Technologies

Several new technologies for Process efficiency improvement has been developed and introduced. Some of the significant developments are given below:

1. Introduced single pass master mixing in TBR compounds with multi-mill technology and there by reducing mixing time of compounds with an efficiency improvement of 15%.
2. Double drain and double vacuum technology introduced in curing to reduce cure time significantly.
3. Super assembly of critical components for improving cycle time in TBM.
4. Conversion of all bead apexing from manual to online apexing process.

Technology for water consumption reduction by nitrogen curing technology

The use of nitrogen as curing media is a viable alternative to steam/hot water media. Nitrogen offers a unique opportunity to reduce water consumption in the curing process. Apollo has developed technology for TBR & PCR curing with nitrogen, which is being implemented in it's new manufacturing facilities.

(iii) In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year)

a) **Details of technology imported**
b) **Year of import**
c) **Whether the technology been fully absorbed**
d) **If not fully absorbed, areas where absorption has not taken place and reasons therefore.**

No technology was imported in the current year. The very purpose of creating our own R&D was to attain self-sufficiency in technology and Apollo can take pride in the fact that this objective is ably met by the efforts of the two R&D centres and their satellite centres in Europe and India. However, the Company gives much importance to collaborative research with universities and partnership with test facilities to create technologies unique to its products and performance.

(iv) Expenditure incurred on Research and Development

(₹ Million)

a)	Capital	400.17
b)	Deferred Revenue Expenditure	-
c)	Revenue	1,554.02
d)	Total	1,954.19
e)	Total R&D expenditure as a % turnover	1.80%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Million)

(i)	**Foreign Exchange Earnings**	
	On account of direct - export sales from Apollo Tyres Ltd (FOB value)	11,169,91
	On account of royalty from Foreign Subsidiary Companies	62.90
	On account of Cross Charge of Management Expenses from Foreign Subsidiary Companies	161.02
	On account of Reimbursement of Expenses from Foreign Subsidiary Companies	516.28
(ii)	**Foreign Exchange outgo** (other than CIF value of imports)	4,585.25

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 19, 2020

ONKAR S. KANWAR
Chairman & Managing Director

FORM NO. MGT- 9 **ANNEXURE V**

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2020

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS

i	CIN	L25111KL1972PLC002449
ii	Registration Date	September 28, 1972
iii	Name of the Company	Apollo Tyres Ltd
iv	Category/Sub-category of the Company	Public Company (Limited By shares)
v	Address of the Registered office & contact details	3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi- 682036, Kerala Ph:-91 484 4012046
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Apollo Tyres Ltd. Apollo House, 7, Institutional Area, Sector-32, Gurgaon, Haryana- 122001

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SL No	Name & Description of main products/services	NIC Code of theProduct /service	% to total turnover of the Company
1	Tyres, Tubes and Flaps	22111	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Apollo (South Africa) Holdings (Pty) Ltd - 150 Denne Road, Hughes, Boksburg, Gauteng, 1459, South Africa	Company Incorporated Outside India	Subsidiary	100	2(87)
2	Apollo Tyres (Greenfield) B.V. - Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
3	Apollo Tyres (Hungary) Kft. - 3212 Gyöngyöshalász, Apollo út 106, Hungary	Company Incorporated Outside India	Subsidiary	100	2(87)
4	Apollo Tyres Cooperatief U.A- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
5	Apollo Tyres AG- Mellingerstrassen 2a, 5400 Baden, Switzerland	Company Incorporated Outside India	Subsidiary	100	2(87)
6	Apollo Tyres Global R & D B.V.- Colosseum 2, 7521 PT Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
7	Apollo Tyres (Middle East) FZE - 1907, 19th Floor, Tower A, JAFZA One Building, Near Gate No. 5, Jebel Ali Free Zone, Dubai, UAE.	Company Incorporated Outside India	Subsidiary	100	2(87)
8	Apollo Tyres Holdings (Singapore) Pte. Ltd- 9 Temasek Boulevard, #42-01, Suntec Tower Two, Singapore 038989	Company Incorporated Outside India	Subsidiary	100	2(87)
9	Apollo Tyres (Thailand) Limited -23FL, KPN Tower, 719, Rama-9 Road, Bang Kapi, Huay Kwang, Bangkok-10310 Thailand	Company Incorporated Outside India	Subsidiary	100	2(87)
10	Apollo Tyres Do (Brasil) Ltda.- Rua Dr. Fernandes Coelho, 85 6º andar -Pinheiros, São Paulo Brasil	Company Incorporated Outside India	Subsidiary	100	2(87)
11	Apollo Tyres B.V.- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
12	Apollo Tyres (UK) Pvt. Ltd- 1st Floor, 8 Waterloo Place, St James's, London, SW1Y 4BE UK	Company Incorporated Outside India	Subsidiary	100	2(87)
13	Apollo Tyres (Malaysia) Sdn Bhd - Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Company Incorporated Outside India	Subsidiary	100	2(87)

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
14	Apollo Tyres (Germany) GmbH - Am Prime Park 17, 65479 Raunheim, Germany	Company Incorporated Outside India	Subsidiary	100	2(87)
15	Reifencom GmbH, Hannover (formerly Reifencom GmbH, Bielefeld)- Südfeldstr. 16, D-30453 Hannover, Germany	Company Incorporated Outside India	Subsidiary	100	2(87)
16	Reifencom Tyre (Qingdao) Co., Ltd. - Room 306, International News Center, No.50 Hong Kong Middle Road, Qingdao 266000 P.R. China	Company Incorporated Outside India	Subsidiary	100	2(87)
17	Apollo Tyres (London) Pvt Ltd- 1st Floor, 8 Waterloo Place, St James's, London, SW1Y 4BE UK	Company Incorporated Outside India	Subsidiary	100	2(87)
18	Apollo Vredestein B.V.- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
19	Apollo Vredestein Kft.- Alkotás út 39/c, 1123 Budapest, Hungary	Company Incorporated Outside India	Subsidiary	100	2(87)
20	Apollo Vredestein Belux- Buro&Design Center, Heizel Esplanade bus 6, 1020 Brussel, Belgium	Company Incorporated Outside India	Subsidiary	100	2(87)
21	Vredestein Consulting B.V.- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
22	Finlo B.V.- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
23	Vredestein Marketing B.V- Ir. Schiffstraat 370, 7547 RD Enschede, The Netherlands	Company Incorporated Outside India	Subsidiary	100	2(87)
24	Apollo Vredestein GesmbH- Seybelgasse 10-12, 1230 Wien, Austria	Company Incorporated Outside India	Subsidiary	100	2(87)
25	Apollo Vredestein Schweiz AG- Mellingerstrasse 2A, Postfach 2112, 5402 Baden, Switzerland	Company Incorporated Outside India	Subsidiary	100	2(87)
26	Apollo Vredestein Ibérica S.A.U.- Cityparc Edificio Bruselas, Ctra. De Hospitalet 147- 08940 Cornella de Llobregat Barcelona, Spain	Company Incorporated Outside India	Subsidiary	100	2(87)
27	Apollo Vredestein (UK) Ltd.- 1 Beechwood, Cherry Hall Road, Kettering Business Park, Northants, NN14 1UE - UK	Company Incorporated Outside India	Subsidiary	100	2(87)
28	Apollo Vredestein Nordic AB- Flöjelbergsgatan 18, 431 37 MÖLNDAL, SWEDEN	Company Incorporated Outside India	Subsidiary	100	2(87)
29	Apollo Vredestein France SAS- 59, Avenue Victor Hugo, 75116, Paris, France	Company Incorporated Outside India	Subsidiary	100	2(87)
30	Apollo Vredestein GmbH- Rheinstrasse 103, Vallendar, Germany	Company Incorporated Outside India	Subsidiary	100	2(87)
31	Apollo Vredestein Opony Polska Sp. Zo.o.- Ul Prosta 32, 00-838 Warszawa Poland	Company Incorporated Outside India	Subsidiary	100	2(87)
32	Apollo Vredestein Tires Inc- 1175 Peachtree Street NE 10th Fl. - Atlanta GA 30361, USA	Company Incorporated Outside India	Subsidiary	100	2(87)
33	Apollo Tyres Africa (Pty) Ltd - 150 Denne Road, Hughes, Boksburg, Gauteng, 1459, South Africa	Company Incorporated Outside India	Subsidiary	100	2(87)
34	Saturn F1 Pvt Ltd - First Floor, Templeback, 10 Temple back, Bristol, BS1 6FL England	Company Incorporated Outside India	Subsidiary	100	2(87)
35	ATL Singapore Pte Ltd. - 9 Temasek Boulevard, #42-01, Suntec Tower Two, Singapore 038989	Company Incorporated Outside India	Subsidiary	100	2(87)
36	KT Telematic Solutions Pvt. Ltd., 2-1-D5 Stemuns Building, Salem Main Road, Sankari Taluk, Salem - 637301, Tamilnadu India	U74999TZ2016PTC027629	Associate	25	2(6)
37	PAN Aridus LLC- PO Box 5134 Carefree, Arizona USA, 85377	Company Incorporated Outside India	Joint Venture	50	2(6)

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

(i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	293130	0	293130	0.05	293130	0	293130	0.05	-
b) Central Govt.or State Govt.	0	0	0	-	0	0	0	-	-
c) Bodies Corporates	231021671	7450	231029121	40.39	231021671	7450	231029121	40.39	-
d) Bank/FI	0	0	0	-	0	0	0	-	-
e) Any other	0	0	0	-	0	0	0	-	-
Sub Total (A) (1):-	**231314801**	**7450**	**231322251**	**40.44**	**231314801**	**7450**	**231322251**	**40.44**	**-**
(2) Foreign									
a) NRI- Individuals	2666880	0	2666880	0.47	2666880	0	2666880	0.47	-
b) Other Individuals	0	0	0	-	0	0	0	-	-
c) Bodies Corp.	0	0	0	-	0	0	0	-	-
d) Banks/FI	0	0	0	-	0	0	0	-	-
e) Any other...	0	0	0	-	0	0	0	-	-
Sub Total (A) (2):-	**2666880**	**0**	**2666880**	**0.47**	**2666880**	**0**	**2666880**	**0.47**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**233981681**	**7450**	**233989131**	**40.90**	**233981681**	**7450**	**233989131**	**40.90**	**-**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	113681183	738750	114419933	20.00	91074284	738750	91813034	16.05	(3.95)
b) Banks/FI	10065435	631000	10696435	1.87	5155169	631000	5786169	1.01	(0.86)
C) Central govt	0	0	0	-	0	0	0	-	-
d) State Govt.	10000000	0	10000000	1.75	10000000	0	10000000	1.75	-
e) Venture Capital Fund	0	0	0	-	0	0	0	-	-
f) Insurance Companies	0	0	0	-	0	0	0	-	-
g) FIIS	110180855	499500	110680355	19.35	130414602	499500	130914102	22.89	3.54
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
Sub Total (B)(1):-	**243927473**	**1869250**	**245796723**	**42.97**	**236644055**	**1869250**	**238513305**	**41.69**	**(1.27)**
(2) Non Institutions									
a) i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	30869045	5996061	36865106	6.44	36216873	4424070	40640943	7.10	0.66
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	1738370	0	1738370	0.30	1638370	0	1638370	0.29	(0.02)
b) Others (specify)									
NRIs	1790062	347300	2137362	0.37	2085404	347780	2433184	0.43	0.05
Foregin National	0	0	0	-	0	0	0	-	-
Investor Education and Protection Fund Authority	2615795	0	2615795	0.46	2583355	0	2583355	0.45	(0.01)
Unclaimed Suspense A/c	196920	0	196920	0.03	3130	0	3130	0.00	(0.03)
Trusts	24714454	0	24714454	4.32	25258355	0	25258355	4.42	0.10
Clearing Members	655199	0	655199	0.11	1614065	0	1614065	0.28	0.17
Bodies Corporates	22510153	203170	22713323	3.97	22908469	1562750	24471219	4.28	0.31
Others	627597	0	627597	0.11	904923	0	904923	0.16	0.05
Sub Total (B)(2):-	**85717595**	**6546531**	**92264126**	**16.13**	**93212944**	**6334600**	**99547544**	**17.40**	**1.27**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**329645068**	**8415781**	**338060849**	**59.10**	**329856999**	**8203850**	**338060849**	**59.10**	**-**
C. SHARES HELD BY CUSTODIAN FOR ADRS AND GRDS	0	0	0	0	0	0	0	-	-
Grand Total (A+B+C)	**563626749**	**8423231**	**572049980**	**100.00**	**563838680**	**8211300**	**572049980**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Neeraj Consultants Pvt. Ltd.	73827161	12.91	1.14	73827161	12.91	0.99	0.00
2	Apollo Finance Ltd.	39778872	6.95	1.25	39778872	6.95	0.74	0.00
3	Sunrays Properties & Investment Co. Pvt. Ltd.	36307648	6.35	1.33	36307648	6.35	2.41	0.00
4	Sacred Heart Investment Co. Pvt. Ltd.	24435180	4.27	0	24435180	4.27	0	0.00
5	Motlay Finance Pvt. Ltd.	16942817	2.96	2.00	16942817	2.96	2.08	0.00
6	Classic Industries & Exports Ltd.	15523505	2.71	0	15523505	2.71	0	0.00
7	Ganga Kaveri Credit & Holding Pvt. Ltd.	7688380	1.34	0	7688380	1.34	0	0.00
8	Indus Valley Investment & Finance Pvt. Ltd.	5076040	0.89	0	5076040	0.89	0	0.00
9	Global Capital Ltd	3627158	0.63	0	3627158	0.63	0	0.00
10	PTL Enterprises Ltd.	3435000	0.60	0	3435000	0.60	0	0.00
11	Ms. Shalini Chand Kanwar	1977000	0.35	0	1977000	0.35	0	0.00
12	Kenstar Investment & Finance Pvt. Ltd.	1842280	0.32	0	1842280	0.32	0	0.00
13	Amit Deycham Pvt. Ltd.	1560595	0.27	0.27	1560595	0.27	0.27	0.00
14	Apollo International Ltd.	984485	0.17	0.17	984485	0.17	0.17	0.00
15	Mr. Neeraj Kanwar	671380	0.12	0	671380	0.12	0	0.00
16	Mr. Raaja R S Kanwar	180880	0.03	0	180880	0.03	0	0.00
17	Mr. Onkar S. Kanwar	100000	0.02	0	100000	0.02	0	0.00
18	Ms. Simran Kanwar	18500	0.00	0	18500	0.00	0	0.00
19	Ms. Taru Kanwar	12250	0.00	0	12250	0.00	0	0.00
Total		**233989131**	**40.90**	**6.16**	**233989131**	**40.90**	**6.66**	**0**

(iii) Change in Promoters' Shareholding

Sl. No.	Folio / DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in Shareholding	Increase/ decrease in Shareholding	Reason for Increase/ Decrease	Cumulative shareholding during the year	
			No. of Shares	% of total Shareholding				No. of Shares	% of total Shareholding
1	N-IN300118/10148832	Mr. Neeraj Kanwar	671380	0.12	01-04-2019	-	-	671380	0.12
					31-03-2020	-	-	671380	0.12
2	N-IN300118/10150311	Ms. Simran Kanwar	18500	0.00	01-04-2019	-	-	18500	0.00
					31-03-2020	-	-	18500	0.00
3	N-IN300118/10150320	Mr. Raaja R S Kanwar	180880	0.03	01-04-2019	-	-	180880	0.03
					31-03-2020	-	-	180880	0.03
4	N-IN300118/10150354	Mr. Onkar S. Kanwar	100000	0.02	01-04-2019	-	-	100000	0.02
					31-03-2020	-	-	100000	0.02
5	N-IN300118/11257309	Ms. Taru Kanwar	12250	0.00	01-04-2019	-	-	12250	0.00
					31-03-2020	-	-	12250	0.00
6	N-IN300118/11277023	Ms. Shalini Chand Kanwar	1977000	0.35	01-04-2019	-	-	1977000	0.35
					31-03-2020	-	-	1977000	0.35
7	P-0014890	Sunrays Properties & Investment Co. Pvt. Ltd.	6450	0.00	01-04-2019	-	-	6450	0.00
					31-03-2020	-	-	6450	0.00
8	P-0023027	Global Capital Ltd.	1000	0.00	01-04-2019	-	-	1000	0.00
					31-03-2020	-	-	1000	0.00
9	N-IN300095/10124640	Sunrays Properties & Investment Co. Pvt. Ltd.	36301198	6.35	01-04-2019	-	-	36301198	6.35
					31-03-2020	-	-	36301198	6.35
10	N-IN300095/10124658	Ganga Kaveri Credit & Holding Pvt. Ltd.	7688380	1.34	01-04-2019	-	-	7688380	1.34
					31-03-2020	-	-	7688380	1.34
11	N-IN300095/10124666	Global Capital Ltd.	3626158	0.63	01-04-2019	-	-	3626158	0.63
					31-03-2020	-	-	3626158	0.63

Sl. No.	Folio / DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in Shareholding	Increase/ decrease in Shareholding	Reason for Increase/ Decrease	Cumulative shareholding during the year	
			No. of Shares	% of total Shareholding				No. of Shares	% of total Shareholding
12	N-IN300118/10141089	Motlay Finance Pvt. Ltd.	16942817	2.96	01-04-2019	-	-	16942817	2.96
					31-03-2020	-	-	16942817	2.96
13	N-IN300118/10141101	Sacred Heart Investment Co. Pvt. Ltd.	24435180	4.27	01-04-2019	-	-	24435180	4.27
					31-03-2020	-	-	24435180	4.27
14	N-IN300118/10148066	Apollo International Ltd.	984485	0.17	01-04-2019	-	-	984485	0.17
					31-03-2020	-	-	984485	0.17
15	N-IN300118/10182874	Apollo Finance Ltd.	39778872	6.95	01-04-2019	-	-	39778872	6.95
					31-03-2020	-	-	39778872	6.95
16	N-IN300118/11621581	PTL Enterprises Ltd.	3435000	0.60	01-04-2019	-	-	3435000	0.60
					31-03-2020	-	-	3435000	0.60
17	N-IN301127/15045132	Neeraj Consultants Pvt. Ltd.	73827161	12.91	01-04-2019	-	-	73827161	12.91
					31-03-2020	-	-	73827161	12.91
18	N-IN301127/15399078	Indus Valley Investment & Finance Pvt. Ltd.	5076040	0.89	01-04-2019	-	-	5076040	0.89
					31-03-2020	-	-	5076040	0.89
19	N-IN302365/10866463	Classic Industries & Exports Ltd.	10423505	1.82	01-04-2019	-	-	10423505	1.82
					05-03-2020	5100000	Transfer	15523505	2.71
					31-03-2020	-	-	15523505	2.71
20	N-IN303559/10011002	Classic Industries & Exports Ltd.	5100000	0.89	01-04-2019	-	-	5100000	0.89
					05-03-2020	-5100000	Transfer	-	-
					31-03-2020	-	-	-	-
21	C-014100/1201410000007516	Kenstar Investment & Finance Pvt. Ltd.	1842280	0.32	01-04-2019	-	-	1842280	0.32
					31-03-2020	-	-	1842280	0.32
22	C-014100/1201410000017026	Amit Deycham Pvt. Ltd.	1560595	0.27	01-04-2019	-	-	1560595	0.27
					31-03-2020	-	-	1560595	0.27

(iv) Shareholding Pattern of top shareholders (other than Directors, Promoters) as on 31.03.2020

Sl. No.	DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for Increase / Decrease	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the Company				No. Of shares	% of total shares of the Company
1	IN30343810004305	Franklin Templeton Investment Funds	18991593	3.32	01-04-2019			18991593	3.32
					14-06-2019	-597397	Transfer	18394196	3.22
					28-06-2019	-589601	Transfer	17804595	3.11
					07-02-2020	-3604341	Transfer	14200254	2.48
					14-02-2020	-540376	Transfer	13659878	2.39
					21-02-2020	-1763000	Transfer	11896878	2.08
					28-02-2020	-278253	Transfer	11618625	2.03
					31-03-2020			11618625	2.03
2	IN30012611209306	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Cap opportunities Fund	18434032	3.22	01-04-2019			18434032	3.22
					12-04-2019	120000	Transfer	18554032	3.24
					27-03-2020	672001	Transfer	19226033	3.36
					31-03-2020	440000	Transfer	19666033	3.44
3	IN30133019132926	Custodian A/C - Ashwin Shantilal Mehta	13507300	2.36	01-04-2019			13507300	2.36
					31-03-2020		No Change	13507300	2.36
4	IN30014210753517	Kotak Funds - India Midcap Fund	11255253	1.97	01-04-2019			11255253	1.97
					12-04-2019	-19168	Transfer	11236085	1.96
					11-10-2019	5168	Transfer	11241253	1.97
					20-12-2019	-396441	Transfer	10844812	1.90
					14-02-2020	-203980	Transfer	10640832	1.86
					16-03-2020	300000	Transfer	10940832	1.91
					31-03-2020			10940832	1.91

Sl. No.	DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for Increase / Decrease	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the Company				No. Of shares	% of total shares of the Company
5	IN30005410009134	Hdfc Trustee Company Ltd. A/C Hdfc Balanced Advantage Fund	8981959	1.57	01-04-2019			8981959	1.57
					12-04-2019	200000	Transfer	9181959	1.61
					26-04-2019	1770000	Transfer	10951959	1.91
					03-05-2019	1263000	Transfer	12214959	2.14
					05-07-2019	2000000	Transfer	14214959	2.48
					20-09-2019	1510590	Transfer	15725549	2.75
					27-09-2019	410	Transfer	15725959	2.75
					18-10-2019	1028633	Transfer	16754592	2.93
					25-10-2019	615100	Transfer	17369692	3.04
					31-03-2020			17369692	3.04
6	IN30016710142910	Hdfc Life Insurance Company Limited	8205794	1.43	01-04-2019			8205794	1.43
					05-04-2019	12379	Transfer	8218173	1.44
					12-04-2019	32137	Transfer	8250310	1.44
					19-04-2019	97696	Transfer	8348006	1.46
					26-04-2019	228698	Transfer	8576704	1.50
					03-05-2019	13096	Transfer	8589800	1.50
					17-05-2019	244916	Transfer	8834716	1.54
					24-05-2019	13037	Transfer	8847753	1.55
					31-05-2019	-91992	Transfer	8755761	1.53
					07-06-2019	-360844	Transfer	8394917	1.47
					14-06-2019	-26269	Transfer	8368648	1.46
					21-06-2019	-86480	Transfer	8282168	1.45
					28-06-2019	-60000	Transfer	8222168	1.44
					05-07-2019	331278	Transfer	8553446	1.50
					12-07-2019	12259	Transfer	8565705	1.50
					24-07-2019	161	Transfer	8565866	1.50
					26-07-2019	100000	Transfer	8665866	1.51
					02-08-2019	-954948	Transfer	7710918	1.35
					09-08-2019	99144	Transfer	7810062	1.37
					23-08-2019	-215000	Transfer	7595062	1.33
					30-08-2019	-285000	Transfer	7310062	1.28
					06-09-2019	150000	Transfer	7460062	1.30
					13-09-2019	-96	Transfer	7459966	1.30
					20-09-2019	-120000	Transfer	7339966	1.28
					27-09-2019	36683	Transfer	7376649	1.29
					04-10-2019	503317	Transfer	7879966	1.38
					11-10-2019	100249	Transfer	7980215	1.40
					08-11-2019	30000	Transfer	8010215	1.40
					15-11-2019	280	Transfer	8010495	1.40
					06-12-2019	-9947	Transfer	8000548	1.40
					20-12-2019	101	Transfer	8000649	1.40
					28-02-2020	79790	Transfer	8080439	1.41
					05-03-2020	120574	Transfer	8201013	1.43
					13-03-2020	300000	Transfer	8501013	1.49
					27-03-2020	100000	Transfer	8601013	1.50
					31-03-2020			8601013	1.50
7	IN30016710010936	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	7794904	1.36	01-04-2019			7794904	1.36
					21-06-2019	-1000000	Transfer	6794904	1.19
					13-12-2019	-6794904	Transfer	0	0.00
					31-03-2020			0	0.00

Sl. No.	DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for Increase / Decrease	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the Company				No. Of shares	% of total shares of the Company
8	IN30016710011040	Franklin Templeton Mutual Fund A/C Franklin India Equity Fund	7500000	1.31	01-04-2019			7500000	1.31
					03-05-2019	-65477	Transfer	7434523	1.30
					10-05-2019	-327934	Transfer	7106589	1.24
					21-06-2019	-2106589	Transfer	5000000	0.87
					28-06-2019	-500000	Transfer	4500000	0.79
					05-07-2019	-500000	Transfer	4000000	0.70
					20-09-2019	-45227	Transfer	3954773	0.69
					27-09-2019	-954773	Transfer	3000000	0.52
					13-12-2019	-3000000	Transfer	0	0.00
					31-03-2020			0	0.00
9	IN30343810004432	Templeton Global Investment Trust - Templetonemerging Markets Small Cap Fund	6432450	1.12	01-04-2019			6432450	1.12
					28-06-2019	-961836	Transfer	5470614	0.96
					07-02-2020	-1168200	Transfer	4302414	0.75
					14-02-2020	-240622	Transfer	4061792	0.71
					21-02-2020	-1514046	Transfer	2547746	0.45
					28-02-2020	-238222	Transfer	2309524	0.40
					31-03-2020			2309524	0.40
10	IN30016710000262	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	5869636	1.03	01-04-2019			5869636	1.03
					05-04-2019	450000	Transfer	6319636	1.10
					31-05-2019	500000	Transfer	6819636	1.19
					21-06-2019	-4000000	Transfer	2819636	0.49
					02-08-2019	200000	Transfer	3019636	0.53
					16-08-2019	300000	Transfer	3319636	0.58
					30-08-2019	-120000	Transfer	3199636	0.56
					06-09-2019	-1149000	Transfer	2050636	0.36
					20-09-2019	78000	Transfer	2128636	0.37
		*w.e.f. 27.09.2019 name of the fund changed to Nippon India Growth Fund			04-10-2019*	510000	Transfer	2638636	0.46
					11-10-2019	194799	Transfer	2833435	0.50
					18-10-2019	201	Transfer	2833636	0.50
					08-11-2019	486000	Transfer	3319636	0.58
					10-01-2020	811888	Transfer	4131524	0.72
					24-01-2020	700000	Transfer	4831524	0.84
					31-03-2020			4831524	0.84
11	IN30023910150207	Kerala State Industrial Development Corporation	5000000	0.87	01-04-2019			5000000	0.87
					31-03-2020	0	No Change	5000000	0.87
12	IN30023910664696	Governor of Kerala	5000000	0.87	01-04-2019			5000000	0.87
					31-03-2020	0	No Change	5000000	0.87
13	IN30005410028173	Dsp Midcap Fund	4410668	0.77	01-04-2019			4410668	0.77
					21-06-2019	-786000	Transfer	3624668	0.63
					05-07-2019	786000	Transfer	4410668	0.77
					23-08-2019	-225000	Transfer	4185668	0.73
					30-08-2019	-21000	Transfer	4164668	0.73
					06-09-2019	245889	Transfer	4410557	0.77
					20-09-2019	-837000	Transfer	3573557	0.62
					27-09-2019	363000	Transfer	3936557	0.69
					04-10-2019	474000	Transfer	4410557	0.77
					06-03-2020	-1192142	Transfer	3218415	0.56
					13-03-2020	-3218415	Transfer	0	0.00
					31-03-2020			0	0.00
14	IN30343810003257	Vanguard Total International Stock Index Fund	3979228	0.70	01-04-2019			3979228	0.70
					05-04-2019	242568	Transfer	4221796	0.74
					26-04-2019	-110440	Transfer	4111356	0.72
					24-05-2019	139558	Transfer	4250914	0.74

Sl. No.	DP-ID & Client ID	Name of Shareholder	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for Increase / Decrease	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the Company				No. Of shares	% of total shares of the Company
					07-06-2019	195107	Transfer	4446021	0.78
					26-07-2019	245152	Transfer	4691173	0.82
					27-09-2019	-361422	Transfer	4329751	0.76
					14-02-2020	177505	Transfer	4507256	0.79
					13-03-2020	267923	Transfer	4775179	0.83
					27-03-2020	263476	Transfer	5038655	0.88
					31-03-2020			5038655	0.88
15	IN30343810007517	T. Rowe Price New Asia Fund	3975697	0.69	01-04-2019			3975697	0.69
					19-07-2019	-148148	Transfer	3827549	0.67
					24-07-2019	-1717748	Transfer	2109801	0.37
					26-07-2019	-795240	Transfer	1314561	0.23
					02-08-2019	-1314561	Transfer	0	0.00
					31-03-2020			0	0.00
16	IN30014210756431	White Iris Investment Ltd	0	0.00	01-04-2019			0	0.00
					21-06-2019	27911255	Transfer	27911255	4.88
					09-08-2019	200000	Transfer	28111255	4.91
					16-08-2019	1341489	Transfer	29452744	5.15
					23-08-2019	2728256	Transfer	32181000	5.63
					30-08-2019	1440000	Transfer	33621000	5.88
					06-09-2019	2381511	Transfer	36002511	6.29
					13-09-2019	883739	Transfer	36886250	6.45
					20-09-2019	1826000	Transfer	38712250	6.77
					27-09-2019	1525107	Transfer	40237357	7.03
					04-10-2019	1220000	Transfer	41457357	7.25
					22-11-2019	524591	Transfer	41981948	7.34
					29-11-2019	2616065	Transfer	44598013	7.80
					06-12-2019	1606130	Transfer	46204143	8.08
					13-12-2019	3464267	Transfer	49668410	8.68
					20-12-2019	1386035	Transfer	51054445	8.92
					31-03-2020			51054445	8.92
17	IN30014210769438	Franklin India Prima Fund	0	0.00	01-04-2019			0	0.00
					13-12-2019	6794904	Transfer	6794904	1.19
					31-03-2020			6794904	1.19
18	IN30012611218322	Icici Prudential Balanced Advantage Fund	3061190	0.54	01-04-2019			3061190	0.54
					28-06-2019	-2481000	Transfer	580190	0.10
					10-01-2020	483771	Transfer	1063961	0.19
					05-03-2020	1388003	Transfer	2451964	0.43
					06-03-2020	1039796	Transfer	3491760	0.61
					13-03-2020	1082735	Transfer	4574495	0.80
					31-03-2020			4574495	0.80
19	IN30378610004755	Icici Prudential Top 100 Fund	3669183	0.64	01-04-2019			3669183	0.64
					14-06-2019	-18000	Transfer	3651183	0.64
					21-06-2019	-198000	Transfer	3453183	0.60
					19-07-2019	34361	Transfer	3487544	0.61
					02-08-2019	416000	Transfer	3903544	0.68
					09-08-2019	100000	Transfer	4003544	0.70
					20-12-2019	-67697	Transfer	3935847	0.69
					31-03-2020			3935847	0.69
20	IN30343810016654	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	3830897	0.67	01-04-2019			3830897	0.67
					12-04-2019	11523	Transfer	3842420	0.67
					10-05-2019	12024	Transfer	3854444	0.67
					21-06-2019	-27054	Transfer	3827390	0.67
					27-03-2020	-20995	Transfer	3806395	0.67
					31-03-2020			3806395	0.67

(v) Shareholding of Directors & KMPs

Sl. No.	Name of the Director/KMP	Shareholding at the beginning/end of the year		Cumulative Shareholding at the beginning/during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Onkar S. Kanwar - Chairman & Managing Director				
	At the beginning of the year (April 01, 2019)	100000	0.02	100000	0.02
	Transaction (Purchase/Sale) from April 01, 2019 upto March 31, 2020)	-	-	-	-
	At the end of the year (March 31, 2020)	100000	0.02	100000	0.02
2	Mr. Neeraj Kanwar - Vice Chairman & Managing Director				
	At the beginning of the year (April 01, 2019)	671380	0.12	671380	0.12
	Transaction (Purchase/Sale) from April 01, 2019 upto March 31, 2020)	-	-	-	-
	At the end of the year (March 31, 2020)	671380	0.12	671380	0.12
3	Mr. Vikram S Mehta - Director				
	At the beginning of the year (April 01, 2019)	6000	0.00	6000	0.00
	Transaction (Purchase/Sale) from April 01, 2019 upto March 31, 2020)	-	-	-	-
	At the end of the year (March 31, 2020)	6000	0.00	6000	0.00

The following Directors /Key Managerial Personnel (KMP) did not hold any shares during FY20:
(i) Mr. Akshay Chudasama, Director (ii) Ms. Anjali Bansal, Director (iii) Mr. Robert Steinmetz, Director (vi) Mr. Sunam Sarkar, Director (v) Ms. Pallavi Shroff, Director (vi) General Bikram Singh (Retd), Director (vii) Mr. Vinod Rai, Director (viii) Mr. Francesco Gori, Director (ix) Mr. Satish Sharma, Director (x) Mr. Gaurav Kumar, CFO-KMP and (xi) Ms. Seema Thapar, Company Secretary-KMP

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtendness at the beginning of the financial year (01.04.19)				
i) Principal Amount	25,478	1,902	-	27,380
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	671	-	-	671
Total (i+ii+iii)	**26,149**	**1,902**	**-**	**28,051**
Change in indebtedness during the financial year				
i) Addition	14,239	84,650	-	98,889
ii) Reduction	(4,632)	(77,702)	-	(82,334)
Total	**9,607**	**6,948**	**-**	**16,555**
Indebtendness at the end of the financial year (31.03.20)				
i) Principal Amount	35,085	8,850	-	43,935
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	695	-	-	695
Total (i+ii+iii)	**35,780**	**8,850**	**-**	**44,630**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

(₹ Million)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total
1	Gross salary	Onkar S. Kanwar	Neeraj Kanwar	Satish Sharma	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	106.99	97.09	61.32	265.40
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.05	0.07	0.23	0.35
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				-
2	Stock option				-
3	Sweat Equity				-
4	Commission	117.76	99.50	0.00	217.26
	as % of profit				-
	others (specify)				-
5	Others, please specify				-
	Total (A)	**224.80**	**196.96**	**61.55**	**483.01**
	Ceiling as per the Act	₹ 636.80 Million (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. REMUNERATION TO OTHER DIRECTORS:

(₹ Million)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Akshay Chudasama	Anjali Bansal	Gen.Bikram Singh(Retd.)	Francesco Gori	Nimesh N Kampani	Pallavi Shroff	
	(a) Fee for attending Board/ Committee Meetings	1.25	0.65	0.65	0.70	0.35	0.60	4.20
	(b) Commission	4.13	4.13	4.13	4.12	1.43	4.13	22.07
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	**5.38**	**4.78**	**4.78**	**4.82**	**1.78**	**4.73**	**26.27**
2	Other Non Executive Directors	Robert Steinmetz	Sunam Sarkar	Dr.S. Narayan	Vikram S.Mehta	Vinod Rai		
	(a) Fee for attending Board/ Committee Meetings	1.10	0.90	0.25	0.60	1.00		3.85
	(b) Commission	4.12	4.12	1.43	4.13	4.13		17.93
	(c) Others, please specify.	-	-	-	-	-		-
	Total (2)	**5.22**	**5.02**	**1.68**	**4.73**	**5.13**		**21.78**
	Total (B)=(1+2)							**48.05**
	Total Managerial Remuneration							**531.06**
	Overall Cieling as per the Act.	₹ 700.48 Million (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ Million)

Sl. No.	Particulars of Remuneration	Name of KMP	
1	Gross salary	CFO (Gaurav Kumar)	Company Secretary (Seema Thapar)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	45.74	6.66
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.06	0.23
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	**45.80**	**6.89**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

There were no penalties/ punishment/ compounding of offences under Companies Act for the year ended March 31, 2020.

For and on Behalf of the Board of Directors

Date: May 19, 2020
Place: New Delhi

Onkar S. Kanwar
Chairman & Managing Director

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, is on shareholders' democracy, higher transparency and more disclosures, E-Governance, investor protection/minority shareholders and on Professionals' enhanced role & accountability. The current annual report of your Company contains all the information and disclosures which are required to be given under Companies Act, 2013 / Listing Regulations.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the details of implementation of the corporate governance code by your Company as contained in the Listing Regulations.

1. CORPORATE GOVERNANCE PHILOSOPHY

At Apollo Tyres Ltd ('Apollo"), corporate governance brings direction and control to the affairs of the Company in a fashion that ensures optimum return for stakeholders. Corporate governance is the broad framework which defines the way the Company functions and interacts with its environment. It is in compliance with laws and regulations in each of the markets the Company operates, leading to effective management of the organisation. Moreover, Apollo in its journey towards sustainability is integrating sustainability practices in its corporate governance system which goes beyond compliance.

The Company is guided by a key set of values for all its internal and external interactions.

Simultaneously, in keeping with the best practices, your Company seeks to execute the practices of corporate governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on the following:

(a) Transparency by classifying and explaining the Company's policies and actions to those towards whom it has responsibilities, including its employees. This implies the maximum possible disclosures without hampering the interests of the Company and those of its stakeholders. The Company believes in promotion of ethical values and setting up exemplary standards of ethical behaviour in our conduct towards our business partners, colleagues, shareholders and general public;

(b) Accountability is a key pillar, where there cannot be a compromise in any aspect of accountability and full responsibility, even as the management pursues profitable growth for the Company;

(c) Professionalism ensures that management teams at all levels are qualified for their positions, have a clear understanding of their roles and are capable of exercising their own judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressures;

(d) Trusteeship brings into focus the fiduciary role of the management to align and direct the actions of the organisation towards creating wealth and shareholder's value in the Company's quest to establish a global network, while abiding with global norms and cultures;

(e) As part of Corporate Responsibility, the Company believes in working towards sustainable development - environmental and social. Though the journey on sustainability is recent, it is already a key pillar in its next five year growth journey;

(f) Safeguarding integrity ensures independent verification and truthful presentation of the Company's financial position. For this purpose, the Company has also constituted an Audit Committee which pays particular attention to the financial management process;

(g) Continuous focus on training and development of employees and workers to achieve the overall corporate objectives while ensuring employee integration across national boundaries.

Your Company is open, accessible and consistent with its communication. Apollo Tyres shares a long term perspective and firmly believes that good corporate governance practices underscore its drive towards competitive strength and sustained performance. Thus, overall corporate governance norms have been institutionalised as an enabling and facilitating business process at the Board, Management and at all operational levels.

2. BOARD OF DIRECTORS

At Apollo, we believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of Apollo Tyres, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long term interests of all our stakeholders.

Apollo's Board consists of an optimal combination of Executive Directors and Independent Directors, representing a judicious mix of professionalism, knowledge and experience. The Directors bring in expertise in the fields of strategy, management, human resource development, legal, finance and economics, among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

(a) Composition of Board: The size and composition of the Board meet the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Board of Directors consists of 12 Executive and Non-Executive Directors, including leading professionals in their respective fields. The following is the percentage of Executive and Non-Executive Directors of the Company as on March 31, 2020:

Category of Directors	No. of Directors	% of Total no. of Directors
Executive	3	25
Non-Executive (including Independent Directors)	9	75
Total	**12**	**100**

The constitution of the Board and attendance record of Directors for FY20 are given below:

Name/Designation of Director	Executive/ Non-Executive /Independent	No. of positions held in Other Companies		Directorship in listed Company(s)		No. of Board Meetings Attended[3]	Attendance at last AGM
		Board[1]	Committee[2]	Name of the Company	Position Held		
Mr. Onkar S. Kanwar Chairman & Managing Director	Promoter – Executive	4	2	PTL Enterprises Ltd. Artemis Medicare Services Ltd.	Chairman Chairman	5	Yes
Mr. Neeraj Kanwar Vice Chairman & Managing Director	Executive	2	3	PTL Enterprises Ltd. Artemis Medicare Services Ltd.	NED NED	5	Yes
Mr. Akshay Chudasama	Non-Executive Independent	2	2	Bata India Ltd. Artemis Medicare Services Ltd.	ID ID	5	Yes
Ms. Anjali Bansal	Non-Executive Independent	7	2	Bata India Ltd. The Tata Power Co. Ltd. Voltas Ltd. Siemens Ltd.	ID ID ID ID	5	Yes
Gen. Bikram Singh (Retd.)	Non-Executive Independent	-	-	None	-	5	Yes
Mr. Francesco Gori	Non-Executive Non-Independent	-	-	None	-	5	No
Ms. Pallavi Shroff	Non-Executive Independent	5	1	Trident Ltd. Asian Paints Ltd. Inter Globe Aviation Ltd. PVR Ltd.	ID ID ID ID	3	Yes
Mr. Robert Steinmetz	Non-Executive Non-Independent	-	-	None	-	5	Yes
Mr. Sunam Sarkar	Non-Executive Non-Independent	-	-	None	-	5	Yes
Mr. Vikram S. Mehta	Non-Executive Independent	6	4	Colgate Palmolive I Ltd. Mahindra & Mahindra Ltd. HT Media Ltd. L & T Ltd. Jubilant Foodworks Ltd.	ID ID ID ID ID	5	Yes
Mr. Vinod Rai	Non-Executive Independent	3	3	IDFC Ltd.	ID	5	Yes
Mr. Satish Sharma	Executive	-	-	None		5	Yes

Name/Designation of Director	Executive/ Non-Executive /Independent	No. of positions held in Other Companies		Directorship in listed Company(s)		No. of Board Meetings Attended(3)	Attendance at last AGM
		Board(1)	Committee(2)	Name of the Company	Position Held		
Ceased to be Director							
Dr. M. Beena[(4)] Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Non-Independent	4	-	None	-	-	N.A.
Mr. Nimesh N. Kampani[(5)] (Ceased to be Director w.e.f August 6, 2019)	Non-Executive Independent	7	5	Britannia Ind. Ltd. Deepak Nitrite Ltd. Chambal Fertilisers & Chemicals Ltd. JM Financial Ltd.	ID ID ID Chairman – NE NID	2	Yes
Dr. S. Narayan[(5)] (Ceased to be Director w.e.f August 6, 2019)	Non-Executive Independent	7	3	Dabur India Ltd. IIFL Finance Ltd. Seshasayee Paper & Boards Ltd. Artemis Global Life Sciences Ltd.	ID ID ID ID	1	No

(1) This includes Directorships held in Public Ltd. Companies and Subsidiaries of Public Ltd. Companies and excludes Directorships in Private Ltd. 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.
(3) During FY20, five Board Meetings were held.
(4) Pursuant to Section 149(6) of the Companies Act, 2013, Dr. M. Beena shall not be treated as an Independent Director. She ceases to be a Director w.e.f. May 9, 2019.
(5) Ceased to be Directors upon completion of their terms of appointment.

None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than 5 Committees across all the Companies in which he/ she is a Director.

Ms. Pallavi Shroff and Mr. Akshay Chudasama are Managing Partners of M/s. Shardul Amarchand Mangaldas & Co., Solicitors and Advocates on record, to whom the Company has paid fee of ₹ 3.00 million during FY20 for professional advice rendered by the firm in which they are interested. The Board has determined that such payment in the context of overall expenditure by the Company is not significant and does not affect their independence.

As required under Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on February 26, 2020. The Independent Directors at the meeting, inter alia, reviewed the following:-

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

In addition to formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors to discuss the issues and concerns, if any.

(b) Performance evaluation of Independent Directors

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

(c) Board Functioning & Procedure: Apollo Tyres' Board is committed to ensure good governance through a style of functioning that is self-governing. The members of the Board always have complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board Meetings.

Apollo Tyres' Board meets at least once in every quarter to discuss and review the quarterly results and other items of agenda, including the information required to be placed before the Board, as required under Regulation 17(7) read with Part A, Schedule II of the Listing Regulations and additional meetings are held as and when required. The meeting dates are usually finalized well before the beginning of the year. The Chairman/Vice Chairman of the Board, Chief Financial Officer and the Company Secretary discuss the items to be included in the agenda and the detailed agenda, management reports and other explanatory statements are circulated well in advance of the meeting. Senior Management officials are called to provide additional inputs on the matters being discussed by the Board/Committee. Overseas operating subsidiaries are represented through President of respective regions who make detailed presentations about working of their respective Companies.

Paperless Board Meetings: With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board/Committee Agenda. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed through Browsers or iPads. The application meets high standards of security and integrity that is required for storage and transmission of Board/Committee Agenda in electronic form.

Post Meeting follow up procedure: The Board has an effective post meeting follow up procedure. Items arising out of previous Board Meeting and their follow up action report are placed at the immediately succeeding meeting for information of the Board.

(d) Information placed before the Board of Directors

The Board has complete access to all the information available within the Company. The following information, inter-alia, is provided periodically by the management to the Board for its review:

- Quarterly/Half yearly/Yearly financial results (consolidated & standalone) and items arising out of Annual Accounts.
- Proceedings of various Committees of the Board (on quarterly basis).
- Minutes of the Subsidiaries (on quarterly basis).
- Internal/External Audit findings & recommendations (on quarterly basis).
- Report on Share Capital Audit (on quarterly basis).
- Secretarial Audit Report (on Annual basis).
- Related Parties Transactions (on quarterly basis).
- Information on Cost Audit (on Annual basis).
- Compliance certificates on applicable laws of ATL & its Subsidiaries (on quarterly basis).
- Compliance Reports: Investors Complaints, Corporate Governance, Transfer/Transmission /Demat of shares (on quarterly basis).
- Foreign Exchange exposure & steps taken to limit the risk (on quarterly basis).
- Material legal cases (on quarterly basis).
- Investment/deployment of funds & borrowings (on quarterly basis).
- Annual Report (on Annual basis).
- Capital and Revenue Budgets (on Annual basis).
- Overall business scenario, operations of the company (on quarterly basis).
- Growth & Expansion plans at various operations, capital spent, business/financial justification and time frame (as and when required).
- Sales Forecast, Margin outlook etc. (on quarterly basis).
- Banking facilities and its utilization (on quarterly basis).
- Review of Material Events and Transactions (on quarterly basis).
- Global growth plans (as and when required).
- Codes and Policies (as and when required).
- Investment in Subsidiary Companies & providing guarantee etc. (as and when required).
- Update on statutory compliance requirements and implementation process (as and when required).

The Chairman, Vice Chairman, CFO and Company Secretary keep the members of the Board informed about any material development/business update through various modes viz. emails, letters, telecon etc. from time to time.

(e) Core Skills /Expertise/ Competencies available with the Board

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified/ available with the Board for the effective functioning of the Company:

- Leadership / Operational experience.
- Legal Expertise.
- Expertise in Strategy, Human Resource Development and Administration.
- Building effective Sales and Marketing strategies.
- Expertise in International Tyre Business and Technical Operations.
- Expertise in sourcing of Raw Materials, IT and Business Operations.
- Expertise in Auditing, Banking, Finance and Corporate Governance.
- Expertise in Manufacturing, Projects and R&D.

While all the Board members possess the skills identified, their area of core expertise is given below:

Sl. No.	Name of the Director	Expertise/ Skills
1	Mr. Onkar S. Kanwar	Leadership/ Operational experience, expert in Strategy, Tyre Business and Management.
2	Mr. Neeraj Kanwar	Leadership/ Operational experience, expert in Strategy, Tyre Business and Management.
3	Mr. Akshay Chudasama	A lawyer, specialized in Mergers and Acquisitions, Joint Ventures, Cross Border Investments, Private Equity etc.
4	Ms. Anjali Bansal	Expert in Strategy, International Finance and Business and Human Resource Development.
5	Gen. Bikram Singh (Retd.)	Former Chief of Indian Army and an expert in Administration and Strategy.
6	Mr. Francesco Gori	Expert in the field of International Strategy, Product Development & Management, Sales and Marketing.
7	Ms. Pallavi Shroff	A lawyer, with an expertise in ad-hoc arbitrations and institutional arbitrations and handling legal disputes.
8	Mr. Robert Steinmetz	Expert in International Tyre Business and Technical Operations.
9	Mr. Sunam Sarkar	Expert in sourcing of Raw Materials, HR, IT, Business Operations and Corporate Strategy.
10	Mr. Satish Sharma	Expert in the field of key functions like manufacturing, sales and marketing, projects and R&D.
11	Mr. Vikram S. Mehta	Expert in the field of Sales/ Marketing, Strategy and Management.
12	Mr. Vinod Rai	Ex-Comptroller and Auditor General of India. Expert in Audit, Banking, Finance and Corporate Governance.

(f) **Relationship amongst Directors:** Mr. Neeraj Kanwar, Vice Chairman & Managing Director is the son of Mr. Onkar S. Kanwar, Chairman & Managing Director. None of the other Directors are related to each other.

(g) **Profile of the Chairman & Managing Director:** As the Chairman of Apollo Tyres Ltd, Mr. Onkar S. Kanwar is the chief architect of the Company's vision and value-driven business strategy. Under his able leadership, Apollo became a professionally managed and a globally recognised tyre manufacturer. As a visionary entrepreneur, he plays a critical role in the articulation of Company's business philosophy.

Modernisation, excellence and quality are his guiding principles. Registered in 1972, Apollo Tyres under his guidance transformed itself from an Indian manufacturer of commercial vehicle tyres, to a global entity with a full-fledged product portfolio. Mr. Onkar S. Kanwar is highly regarded for his constant emphasis on bettering the lives of people – be it employees, customers, business partners, shareholders or any other stakeholder – and responsiveness to change and continuous learning.

He is the Past President of the Federation of Indian Chambers of Commerce and Industry (FICCI) and a former Chairman of the Automotive Tyre Manufacturers' Association. Currently, he is the Chairman of BRICS Business Council, India.

Mr. Onkar S. Kanwar has a keen interest in the field of education and health care. Artemis Health Sciences, promoted by him, is an enterprise focusing on state-of-the-art medical care and runs a cutting edge multi-specialty medical facility which focuses on holistic treatment. An initiative close to his heart is Apollo Tyres' HIV-AIDS awareness and prevention programme for the commercial vehicle driver community, implemented through Apollo Tyres Foundation's Health Care centres located in large transshipment hubs across India.

A Science and Administration graduate from the University of California, Mr. Onkar S. Kanwar is a widely travelled individual. He devotes a large part of his time to reading and is passionate about learning modern management practices and their successful application in business.

He has been conferred with 'Ernst & Young Entrepreneur of the Year Award – Manufacturing' for the year 2012. He has recently been awarded with Hungarian 'Order of Merit', and Government of Japan's 'Order of Rising Sun, Gold and Silver Star'.

Profile of the Vice Chairman & Managing Director: As the Vice Chairman & Managing Director of Apollo Tyres, Mr. Neeraj Kanwar plays a pivotal role in Apollo's journey towards becoming one of the most admired automotive tyre brands. Mr. Neeraj Kanwar has pioneered key initiatives in enhancing the competitiveness of the Company's Operations and Products across the Board. He is responsible for crafting Apollo's growth story taking the Company from US$450 million to US$2 billion within a 5-year time span. Under his able leadership, Apollo acquired Dunlop Tyres International in South Africa and Zimbabwe in 2006, Vredestein Banden B V in the Netherlands in 2009, and the latest in the list is, the setting up of a Greenfield facility in Hungary, thereby transforming itself into a Company with operations across geographies.

Mr. Neeraj Kanwar began his career with Apollo Tyres as Manager, Product & Strategic Planning, where he played a crucial role in creating a bridge between the two key functions of Manufacturing and Marketing. In 1998, he joined the Board of Directors and was promoted to Chief, Manufacturing and Strategic Planning. His people management skills helped him bring overarching changes in Industrial Relations, upgradation of technology and benchmarking on product and efficiency parameters.

In 2002, he took over as the Chief Operating Officer of the organisation, wherein he introduced value-driven process improvements in Human Resources and Information Technology. Mr. Neeraj Kanwar was appointed Joint Managing Director in 2006 and elevated to Vice Chairman in 2008, and soon after took over as the Managing Director in 2009 for his initiatives in establishing the Company in the global arena.

As a business leader, Mr. Neeraj Kanwar is associated with leading industry associations and was recently the Chairman of the Automotive Tyre Manufacturer's Association, India.

Mr. Neeraj Kanwar is a people-centric leader and believes in empowering employees to undertake effective and efficient decisions at all times. Within Apollo, he is known for his affable management style, and combine work with liberal doses of fun.

An engineering graduate from Lehigh University in Pennsylvania, USA, Mr. Neeraj Kanwar is an avid sportsperson. He prefers to spend his leisure time with his family or playing tennis, swimming and travelling.

(h) **No. & Dates of Board Meetings held:** During the FY20, 5 (five) Board Meetings were held on May 9, 2019, July 31, 2019, November 5, 2019, February 5, 2020 and February 26, 2020. The gap between any two meetings never exceeded 120 days as per the requirements of Regulation 17(2) of the Listing Regulations.

(i) **Statutory Compliance of Laws:** The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

(j) **Recommendation of Committees:** During the FY20, the Board has accepted all the recommendations of the Committees, which were mandatorily required.

(k) **Compliance by Independent Directors:** In the opinion of the Board, the Independent Directors fulfill the conditions specified in regulations and are independent of the management.

(l) **Independent Director Databank Registration:** Pursuant to a notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), all the Independent Directors, subject to the guidelines prescribed by the MCA, were required to register online with the Indian Institute of Corporate Affairs (IICA) within the stipulated time for inclusion of their names in the Independent Directors Databank. Accordingly, all our Independent Directors have completed the registration with the Independent Directors Databank.

(m) **Resignation by Independent Director:** During the year, no Independent Director has resigned.

(n) **Total fee paid to Statutory Auditors on consolidated basis:** An amount of ₹ 14.56 million was paid/ payable to Statutory Auditors (excluding out of pocket expenses) for all services provided to the Company and its Subsidiaries during FY20, on a consolidated basis and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditor, and notes the processes and safeguards employed by each. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor.

(a) Composition & Terms of Reference of Committee

The Board of Directors constituted an Audit Committee in the year 1992. The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprises of four Directors viz. Mr. Vinod Rai, Mr. Akshay Chudasama, Mr. Robert Steinmetz and Ms. Pallavi Shroff, with two-thirds of the members as Independent Directors. Mr. Vinod Rai, Independent Director, acts as the Chairman of the Committee. All the members are financially literate and possess the requisite financial/business acumen to specifically look into the internal controls and audit procedures. Members have discussions with the Statutory Auditors during the meetings of the Committee and the quarterly/half-yearly and annual audited financials of the Company are reviewed by the Audit Committee before consideration and approval by the Board of Directors. The Committee also reviews Internal Control Systems and IT systems.

As per Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- Reviewing changes, if any, in accounting policies and practices and reasons for the same;
- Reviewing major accounting entries involving estimates based on the exercise of judgment by management;
- Reviewing significant adjustments made in the financial statements arising out of audit findings;
- Reviewing compliance with listing and other legal requirements relating to financial statements;

- Reviewing disclosure of any related party transactions;
- Reviewing modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review of the functioning of Whistle Blower Mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;
- Review of investments made by the unlisted Subsidiary;
- Reviewing the utilisation of loans and/or advances from/ investment by the Holding Company in the Subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/investments;
- Review of Management Discussion and Analysis of financial condition and results of operations;
- Review statement of significant related party transactions submitted by Management;
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors;
- Review of internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor;
- Review of statement of deviations, if any:-

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

The Chairman of the Audit Committee has confirmed to the Board that the Audit Committee during the year under review has complied with all the roles assigned to it pursuant to the Companies Act, 2013 and Listing Regulations.

(b) Meetings of Audit Committee and attendance of members during the year

During the FY20, 4 (four) Audit Committee Meetings were held on May 8, 2019, July 30, 2019, November 4, 2019 and February 4, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Vinod Rai (appointed member w.e.f. May 9, 2019)	Chairman	Non- Executive Independent	3
Mr. Akshay Chudasama	Member	Non- Executive Independent	4
Ms. Pallavi Shroff (appointed member w.e.f. May 9, 2019)	Member	Non- Executive Independent	2
Mr. Robert Steinmetz	Member	Non- Executive Non-Independent	4
Mr. Nimesh N. Kampani (ceased to be member w.e.f. May 9, 2019)	Member	Non- Executive Independent	1
Dr. S. Narayan (ceased to be member w.e.f. May 9, 2019)	Chairman	Non- Executive Independent	1

The Committee was reconstituted on May 9, 2019 and comprises of Mr. Vinod Rai (Chairman), Ms. Pallavi Shroff (Member), Mr. Akshay Chudasama (Member) and Mr. Robert Steinmetz (Member).

In addition to the members of the Audit Committee, these meetings were attended by Vice Chairman & Managing Director, Chief Financial Officer, President (APMEA), President (Europe), Group Head (Corporate Accounts), Internal Auditor, Cost Auditor and Statutory Auditor of the Company, wherever necessary, and those executives of the Company who were considered necessary for providing inputs to the Committee.

The Company Secretary acts as Secretary of the Committee.

The Chairman of the Audit Committee, Mr. Vinod Rai, was present at the Annual General Meeting of the Company held on July 31, 2019.

The Committee invites the Directors who are not the members of the Committee, to attend the meeting as an invitee.

(c) Role of Internal Auditor

Internal Audit is an independent function within the Company, 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 in managing changes in the business and regulatory environment. Internal Audit responsibilities encompass all locations, operating entities and geographies of the Company, in which all aspect of business, viz. operational, financial, information systems and regulatory compliances are reviewed periodically.

The Internal Audit has a well laid down internal audit methodology, which emphasis on risk based internal audits using data analytics. The Internal Audit prepares a rolling annual internal audit plan, comprising of operational, financial, compliance and information systems audits, covering all the locations, operations and geographies of the Company. The audit plan for the year is reviewed and approved by the Audit Committee at the beginning of each financial year.

The Internal Auditor reports to both, the Chairman and the Audit Committee of the Company. On quarterly basis, the Internal Auditor reports to the Audit Committee, the key internal audit findings, and action plan agreed with the management, the status of audits vis-à-vis the approved annual audit plan and status of open audit issues. Direct reporting to the Chairman and the Audit Committee establishes Internal Audit as a function independent from the business.

(d) Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company. However, the Company has 5 material non-listed overseas Subsidiaries.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by all unlisted overseas Subsidiary Companies. Significant issues pertaining to Subsidiary Companies are also discussed at Audit Committee meetings. A summarised statement of important matters reflecting all significant transactions and arrangements entered into by the Subsidiary Companies, included in the minutes of the above overseas Subsidiary Companies are placed before the Board of Directors of the Company and are duly noted by it. The performance of all its Subsidiaries is also reviewed by the Board periodically.

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Constitution and Composition of the Committee

The Board of Directors had constituted a Remuneration Committee in the year 2003. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of three members which are Non-Executive Independent Directors viz. Mr. Vinod Rai, Mr. Akshay Chudasama and Ms. Pallavi Shroff. Mr. Vinod Rai is the Chairman of the Committee.

The Nomination and Remuneration Committee has devised a policy on Board diversity in terms with the requirement under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company Secretary acts as the Secretary of the Committee.

(b) Brief description of the Terms of Reference

The Nomination and Remuneration Committee has been entrusted with the responsibilities to review and grant annual increments, vary and/or modify the terms and conditions of appointment/re-appointment including remuneration and perquisites, commission etc. payable to Managing Directors within the overall ceiling of remuneration as approved by the members.

The Committee in its meeting held on May 15, 2014, had noted the following terms of reference pursuant to Section 178 of the Companies Act, 2013 & Regulation 19(4) read with Part D Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Other Employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To see that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To see that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To see that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(c) Policy for appointment and remuneration

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The salient features of the aforesaid policy is given as below:

1. Criteria for Appointment of Director and Senior Management

The Committee shall consider the following factors for identifying the persons who are qualified to becoming Director and who can be appointed in Senior Management:

1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his/her appointment.

1.2 A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

1.3 An Independent Director shall mainly possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

1.4 The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

1.5 The Company should ensure that the person so appointed as Director/Independent Director/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

1.6 The Director/Independent Director/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

1.7 Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 16(b) & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The term "Senior Management" means the officers/ personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the Chief Executive Officer/Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

2. Criteria for Determining Positive Attributes & Independence of Directors

Criteria for determining positive attributes:

The Committee shall consider the following factors for determining positive attributes of Directors (including Independent Directors):

2.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.

2.2 Actively update their knowledge and skills with the latest developments in the Tyre/ Automobile industry, market conditions and applicable legal provisions.

2.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.

2.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

2.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

2.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

Criteria for determining Independence:

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in Regulation 16(b) & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Remuneration of Directors, Key Managerial Personnel (KMP) and Other Employees

On the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The Committee shall recommend to the Board, all remuneration to be paid to the Senior Management Personnel. The remuneration to all other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/Whole-time Directors shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMP (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be recommended by the Committee to the Board. The annual increment in Salary for all other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3.1 General

3.1.1 Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

3.2 Remuneration to Whole-time/Executive/Managing Director

3.2.1 Fixed pay:

The Whole-time Director shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders.

3.2.2 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 in accordance with the provisions of the Companies Act, 2013.

3.2.3 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.

3.3 Remuneration to Non- Executive Independent/Non-Independent Director:

3.3.1 Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further, the boarding and lodging expenses shall be reimbursed to the Directors.

3.3.2 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.

3.3.3 Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its Subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

Criteria of making payments to Non- Executive Directors is disseminated on the website and same can be viewed at:-https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies

3.4 Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

This Remuneration Policy shall apply to all future/ continuing employment/engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

(d) Meetings of Nomination and Remuneration Committee and Attendance of members during the year

During FY20, 4 (four) Nomination and Remuneration Committee Meetings were held on May 8, 2019, July 31, 2019, November 5, 2019 and February 4, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Vinod Rai (appointed member w.e.f. May 9, 2019)	Chairman	Non- Executive Independent	3
Mr. Onkar S. Kanwar (ceased to be member w.e.f. May 9, 2019)	Member	Executive	1
Mr. Akshay Chudasama	Member	Non- Executive Independent	4
Ms. Pallavi Shroff (appointed member w.e.f. May 9, 2019)	Member	Non- Executive Independent	2
Mr. Nimesh N. Kampani (ceased to be member w.e.f. May 9, 2019)	Member	Non- Executive Independent	1
Dr. S. Narayan (ceased to be member w.e.f. May 9, 2019)	Chairman	Non- Executive Independent	1

The Committee was reconstituted on May 9, 2019 and comprises of Mr. Vinod Rai (Chairman), Ms. Pallavi Shroff (Member) and Mr. Akshay Chudasama (Member).

(e) Payment of remuneration/sitting fee to the Directors etc.

The details of remuneration paid to Directors during FY20 are given below.

(i) Executive Directors/CFO/Company Secretary:

(₹ Million)

Particulars	Mr. Onkar S. Kanwar, Managing Director	Mr.Neeraj Kanwar, Managing Director	Mr. Satish Sharma, Whole-time Director
Salary	45.00	39.48	13.09
Contribution to PF/ Superannuation/ Gratuity	14.31	12.56	4.16
Commission/ Performance Bonus	117.76	99.50	13.09
Perquisites	55.48	51.94	27.80
Total Remuneration	**232.55**	**203.48**	**58.14**
Stock Option	N.A	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A	N.A
As per Section 198 of the Companies Act, 2013, Net Profit of the Company is amounting to ₹ 6,368.03 Million.			

(₹ Million)

Particulars	Mr. Gaurav Kumar, Chief Financial Officer	Ms. Seema Thapar, Company Secretary
Salary	10.00	1.76
Contribution to PF/ Superannuation/Gratuity	2.70	0.48
Commission/Performance Bonus	14.05	1.68
Perquisites	20.40	3.33
Total Remuneration	**47.15**	**7.25**
Stock Option	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A

Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:

1) Managing Director(s)/Whole-time Director are entitled to performance linked incentive in the form of commission as approved by the members.

2) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY20 was as follows: Mr. Onkar S. Kanwar- 268, Mr. Neeraj Kanwar- 234 and Mr. Satish Sharma- 67.

3) The percentage decrease in the remuneration of Mr. Onkar S. Kanwar and Mr. Neeraj Kanwar was 42% during FY20 over the previous financial year, due to voluntary surrender of partial remuneration and

reduction in profits. Mr. Satish Sharma was appointed as a Whole-time Director w.e.f. April 1, 2019.

The percentage increase in the remuneration of Mr. Gaurav Kumar, Chief Financial Officer, was 28% and Ms. Seema Thapar, Company Secretary, was 19% during FY20 over the previous financial year.

The amount of total commission provided to Non-Executive Directors in FY20 was ₹ 40 million against ₹ 60 million paid in the FY19. There was 15% decrease in the remuneration by way of commission of Non-Executive Directors to be distributed amongst 12 Directors in proportion to their tenure of Directorship.

The ratios of remuneration of Non-Executive Directors to median remuneration of employees are as under:-

Name of Director	Remuneration for FY20 (₹ Million)	Ratio to median remuneration of employees
Mr. Akshay Chudasama	4.13	4.76
Ms. Anjali Bansal	4.13	4.76
Gen. Bikram Singh (Retd)	4.13	4.76
Mr. Francesco Gori	4.12	4.76
Mr. Nimesh N. Kampani*	1.43	N.A.
Ms. Pallavi Shroff	4.13	4.76
Mr. Robert Steinmetz	4.12	4.76
Dr. S. Narayan*	1.43	N.A.
Mr. Sunam Sarkar	4.12	4.76
Mr. Vikram S. Mehta	4.13	4.76
Mr. Vinod Rai	4.13	4.76

*Ceased as Director w.e.f. August 6, 2019.

4) The percentage increase in the median remuneration of employees was 15.7%.

5) The total number of employees of Company as on March 31, 2020, were 14,170 out of which 7,773 were permanent employees on the rolls of the Company.

6) Average percentage increase made in the salaries of employees other than the managerial personnel in FY20 was 17% whereas there was 8% increase in the managerial remuneration in FY19.

7) Remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

ii) Non-Executive Directors:

Sitting fees and commission paid/to be paid to the Non-Executive Directors is in pursuance of the resolution passed by the Board.

Name of Director	Sitting fee (₹ Million)	Commission provided for FY20 (₹ Million)	No. of Shares held as on March 31, 2020
Mr. Akshay Chudasama	1.25	4.13	-
Ms. Anjali Bansal	0.65	4.13	-
Gen. Bikram Singh (Retd)	0.65	4.13	-
Mr. Francesco Gori	0.70	4.12	-
Mr. Nimesh N. Kampani*	0.35	1.43	-
Ms. Pallavi Shroff	0.60	4.13	-
Mr. Robert Steinmetz	1.10	4.12	-
Dr. S. Narayan*	0.25	1.43	-
Mr. Sunam Sarkar	0.90	4.12	-
Mr. Vikram S. Mehta	0.60	4.13	6,000
Mr. Vinod Rai	1.00	4.13	-

*Ceased as Director w.e.f. August 6, 2019.

An amount of ₹ 40 million be paid and disbursed amongst the Directors of the Company (other than Managing Directors) equally in proportion to their tenure of Directorship for the financial year ended March 31, 2020, provided they have attended Board Meeting(s) during FY20.

No convertible instruments of the Company were outstanding as on March 31, 2020.

Apart from receiving Directors Remuneration, none of the Non-Executive Directors has any pecuniary relationships or transactions vis-a-vis the Company. However, the Company has paid a fee of ₹ 3.00 million during FY20 to M/s. Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, in which Ms. Pallavi Shroff & Mr. Akshay Chudasama are Managing Partners.

4. Directors and Officers Liability Insurance (D&O)

As per the provisions of the Companies Act, 2013, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and Investor grievances, transfer/ transmission of Shares, non-receipt of dividend declared, dematerialistaion/ rematerialisation of shares and other related matters. The roles and responsibilities of the Stakeholders Relationship Committee as prescribed under Companies Act, 2013 and (Listing Obligations and Disclosure Requirements) Regulations, 2015 are mentioned under the terms of reference of the Committee.

(a) Constitution and Composition of the Committee

The present Stakeholders Relationship Committee comprises of three Directors viz. Mr. Onkar S. Kanwar, Mr. Sunam Sarkar and Mr. Akshay Chudasama. Mr. Sunam Sarkar, Non-

Executive Non-Independent Director, acts as the Chairman of the Committee.

Pursuant to Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Seema Thapar, Company Secretary, acts as the Compliance Officer of the Company and Secretary to the Committee.

(b) Terms of reference

This Committee has been formed with a view to undertake the following: -

- Approval of transfer/transmission of shares/debentures issued by the Company, issue of duplicate certificates and certificates after split/consolidation/replacement.
- Looking into the redressal of shareholders' and investors' complaints and other areas of investor services.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

(c) Meetings of Stakeholders Relationship Committee and attendance of members during the year

During FY20, 1(one) meeting of the Stakeholders Relationship Committee was held on February 4, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar S. Kanwar	Member	Executive	1
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1

(d) No. of shareholders' complaints received

During FY20, the Company received 13 complaints. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders. All other complaints were attended and resolved to the satisfaction of the shareholders.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(a) A brief outline of the Company's CSR Policy

The Company is committed to incorporating policies, systems and approaches to achieve its positive impact growth objectives. Deeply inherent in our vision statement are the principles of sustainability. The CSR approach stems from our vision statement focusing on "continuously enhancing stakeholder value", which includes the larger society and environment in which the Company operates. The CSR philosophy of the Company rests on the principle of sustainability and self reliance. It also embeds a dimension of philanthropy. At the core of Apollo's responsibility belief is stakeholder engagement. Consequently, all the projects the Company has link to its stakeholders, the issues they face and the issues organization has identified to support on philanthropy front.

(b) Composition of CSR Committee

The Board of Directors had constituted a Corporate Social Responsibility Committee in the year 2014. The present Corporate Social Responsibility Committee comprises of following four Directors viz. Mr. Onkar S. Kanwar, Ms. Anjali Bansal, Mr. Sunam Sarkar and General Bikram Singh (Retd.). Mr. Onkar S. Kanwar acts as the Chairman of the Committee.

(c) Meeting of CSR Committee and attendance of members during the year

During FY20, 2(two) meetings of CSR Committee were held on May 9, 2019 and February 26, 2020.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar S. Kanwar	Chairman	Executive	2
Ms. Anjali Bansal	Member	Non-Executive Independent	2
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	2
Gen. Bikram Singh (Retd.)	Member	Non-Executive Independent	2

Your Company has also laid down a CSR Policy in order to execute its various CSR Initiatives.

The Company Secretary acts as the Secretary to the Committee.

7. BUSINESS RESPONSIBILITY (BR) COMMITTEE

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates the top 1000 listed Companies by market capitalisation to provide Business Responsibility Report ("BR Report") in their Annual Report describing the initiatives taken by the Company from an environmental, social and governance perspective in the format specified by the SEBI.

The Company follows following nine core principles as prescribed by SEBI and the entire BR Report is based on actions taken by the Company for the adoption of these principles:

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 the meeting held on May 10, 2016, had constituted a Business Responsibility (BR) Committee.

(a) Composition of BR Committee

The BR Committee comprises of four Directors viz. Mr. Onkar S. Kanwar, Mr. Neeraj Kanwar, Mr. Sunam Sarkar and Mr. Akshay Chudasama. Mr. Onkar S. Kanwar acts as the Chairman of the Committee.

(b) Meeting of BR Committee and attendance of members during the year

During FY20, a meeting of BR Committee was held on May 8, 2019.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr. Onkar S. Kanwar	Chairman	Executive	1
Mr. Neeraj Kanwar	Member	Executive	1
Mr. Sunam Sarkar	Member	Non-Executive Non-Independent	1
Mr. Akshay Chudasama	Member	Non-Executive Independent	1

The Company Secretary acts as the Secretary to the Committee.

8. RISK MANAGEMENT COMMITTEE

The Board at its meeting held on February 5, 2019, had constituted a Risk Management Committee (RMC) of the Board comprising of Directors and Senior Executives of the Company.

During FY20, 4(four) meetings of RMC Committee were held on May 8, 2019, July 30, 2019, November 4, 2019 and February 4, 2020.

Name of Director/ Official	Designation	Category of Director/ Official	No. of meetings attended
Mr. Sunam Sarkar	Chairman	Non-Executive Non-Independent	4
Mr. Francesco Gori	Member	Non-Executive Non-Independent	4
Mr. Robert Steinmetz	Member	Non-Executive Non-Independent	4
Mr. Satish Sharma	Member	Executive	4
Mr. Vikram S. Mehta (appointed as member w.e.f. July 31, 2019)	Member	Non-Executive Independent	1
Mr. Benoit Rivallant	Member	President (Europe)	4
Mr. Gaurav Kumar (appointed as member we.f. May 9, 2019)	Member	Chief Financial Officer	3

The Committee was reconstituted on May 9, 2019 & July 31, 2019, by inducting Mr. Gaurav Kumar, Chief Financial Officer and Mr. Vikram S. Mehta, Independent Director as Members.

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.

The Chairman of the Risk Management Committee makes the presentation before the Board on the major high risks of APMEA, Europe Region and Corporate Functions.

9. CEO/CFO CERTIFICATION

The Chairman & Managing Director and CFO have submitted certificate, in terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the Board.

10. GENERAL BODY MEETINGS

(a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution Passed
2018-19	July 31, 2019	10:00 AM	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)	1) Appointment of Mr. Robert Steinmetz (DIN: 00178792) as a Director. 2) Re-appointment of Mr. Akshay Chudasama (DIN: 00010630) as an Independent Director. 3) Re-appointment of Mr. Vikram S. Mehta (DIN: 00041197) as an Independent Director. 4) Authorization for Private Placement of NCDs
2017-18	August 1, 2018	-do-	-do-	1) Authorization for Private Placement of NCDs
2016-17	July 5, 2017	-do-	-do-	1) Re-appointment of Mr. Onkar S. Kanwar as Managing Director. 2) Authorization for Private Placement of NCDs.

(b) Resolutions passed last year through Postal Ballot:

Resolution passed during FY20: Pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company had conducted the following voting through Postal Ballot (Including Electronic Voting) and sent the Postal Ballot form to members. The following resolutions were passed through Postal Ballot:-

(1) Resolutions passed on September 29, 2019

Last Date of Dispatch of Postal Ballot Forms	Item approved by the shareholders	Date of passing of Resolution	Ordinary/ Special Resolution
August 30, 2019	Re-appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Director.	September 29, 2019	Special Resolution

Voting Pattern of the resolution passed through Postal Ballot, is as follows:

Re-appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Director

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	61	979	1,040
Total number of votes	16,305	446,531,824	446,548,129
Total number of valid votes	16,305	446,531,824	446,548,129
Votes cast in favour of the Resolution	15,745	443,843,953	443,859,698
Votes cast against the Resolution	560	2,687,871	2,688,431
Number of invalid Postal Ballots	0	0	0
Number of invalid votes	0	0	0

i. Mr. P.P. Zibi Jose, Practicing Company Secretary, was appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

ii Procedure for Postal Ballot:- Where a Company is required or decides to pass any resolution by way of Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a Postal Ballot because Postal Ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice. Your Company has followed the aforesaid procedure stipulated in the Companies Act, 2013 and has carried out Postal Ballot for the item mentioned above.

(2) Resolutions passed on December 22, 2019

Last Date of Dispatch of Postal Ballot Forms	Item approved by the shareholders	Date of passing of Resolution	Ordinary/ Special Resolution
November 22, 2019	• Increasing the Borrowing Limits u/s 180(1)(c) of the Companies Act, 2013 • Creation of Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company	December 22, 2019	Special Resolution

Voting Pattern of the resolutions passed through Postal Ballot, are as follows:

Increasing the Borrowing Limits u/s 180(1)(c) of the Companies Act, 2013

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	77	704	781
Total number of votes	23,150	468,218,741	468,241,891
Total number of valid votes	23,150	468,218,741	468,241,891
Votes cast in favour of the Resolution	22,625	468,203,544	468,226,169
Votes cast against the Resolution	525	15,197	15,722
Number of invalid Postal Ballots	0	0	0
Number of invalid votes	0	0	0

Creation of Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	77	522	599
Total number of votes	23,150	460,064,618	460,087,768
Total number of valid votes	23,150	460,064,618	460,087,768
Votes cast in favour of the Resolution	22,625	460,057,252	460,079,877
Votes cast against the Resolution	525	7,366	7,891
Number of invalid Postal Ballots	0	0	0
Number of invalid votes	0	0	0

i. Mr. P.P. Zibi Jose, Practicing Company Secretary, was appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

ii Procedure for Postal Ballot:- Where a Company is required or decides to pass any resolution by way of Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a Postal Ballot because Postal Ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice. Your Company has followed the aforesaid procedure stipulated in the Companies Act, 2013 and has carried out Postal Ballot for the item mentioned above.

As on date of this report, your Company does not propose to pass any Special Resolution for the time being by way of Postal Ballot.

(c) Resolutions passed in the Extraordinary General Meeting:

Financial Year	Date	Time	Venue	Resolution Passed
2019-20	March 23, 2020	1:00 PM	Apollo Tyres Ltd., Kalamassery Plant, Alwaye, Kochi (Kerala)	The following resolutions were passed:- **Ordinary Resolution** Increase and alteration of the authorized share capital and consequent amendment of the capital clause in the memorandum of association. **Special Resolution** Issuance of compulsorily convertible preference shares by way of preferential issue on a private placement basis.

11. DISCLOSURES

(a) Related Party Transactions

In Compliance with Section 188 of the Companies Act, 2013, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rules as applicable, the Company has framed a Policy on Related Party Transactions including policy on materiality of related party transactions. The policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The policy had become effective from October 1, 2014.

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, 2020.

(b) Disclosure of accounting treatment

There has not been any change in accounting policies of the Company during the year.

(c) Risk Management

The Company has a well laid out Risk Management Policy, covering the process of identifying, assessing, mitigating, reporting and reviewing critical risks impacting the achievement of Company's objectives. During the year under review, the risk assessment and mitigation procedures are periodically updated to the Board through the Risk Management Committee.

The Company has formed Internal Risk Committees (IRCs), which review risk registers for Asia Pacific Middle East Africa (APMEA), Europe region and Corporate Functions headed by President (APMEA), President (Europe) and Chief Financial Officer as Chairman of the respective Committees and represented by the functional heads as Chief Risk Officers. The Committees review each risk on a quarterly basis and evaluate its impact and plans for mitigation. 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 and Europe region, corporate functions and provides its directions to the management, if any.

In the opinion of the Board, there has been no identified element of risk that may threaten the existence of the Company.

(d) Compliance by the Company

The Company has materially complied with the requirements of the SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other statutory authoritiy. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed/undelivered shares lying in the possession of the Company are required to be dematerialised and transferred into a "Unclaimed Suspense Account" held by the Company. The status of unclaimed shares as on March 31, 2020 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, 2019	217	196,920
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year	5	6,950
Number of shareholders to whom shares were transferred from suspense account during the year	5	6,950
Shares transferred to IEPFA Account	191	186,840
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e. March 31, 2020	21	3,130

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 FY20, 309,809 shares held by aforesaid members, were transferred to the DEMAT Account of IEPFA constituted in accordance with the Rules, on October 7 & 9, 2019.

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.

Shareholders who have not yet claimed their shares are requested to immediately approach the Company by forwarding a request letter duly signed by all the shareholders furnishing aforesaid details to enable the Company to credit/issue the shares to the rightful owner.

It may be noted that all the corporate benefits accruing on these shares like bonus, splits etc. also will be credited to the said "Unclaimed Suspense Account"/"Demat Account" and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Nodal Officer:- Pursuant to Rule 7(2A) of the IEPF Rules, Ms. Seema Thapar, Company Secretary & Compliance Officer, is appointed as Nodal Officer of the Company.

(f) Disclosure in terms of Regulation 34(3) read with Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are no inter-se relationships between the Board members except Mr. Onkar S. Kanwar and Mr. Neeraj Kanwar being father and son.

12. MEANS OF COMMUNICATION

- As per Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an extract of the detailed format of Quarterly/Annual Financial Results is filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results in prescribed format are published in the Newspapers viz. Financial Express (National Daily) and Mangalam/Kerala Kaumudi (Regional Daily). The Quarterly/Annual Financial Results are also available on the Company's website and Stock Exchange websites www.nseindia.com and www.bseindia.com.
- All material information about the Company is promptly sent to the stock exchanges and the Company regularly updates the media and investor community about its financial as well as other organisational developments.
- The transcript of the Analyst/Investor Conference Call is posted on the website of the Company.
- This year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020, directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY20 and Notice of the AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars. The Annual Report containing, inter-alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Board's Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report and other important information are also displayed on the Company's website (www.apollotyres.com).
- NSE Electronic Application Processing System (NEAPS)- is a web-based application designed by NSE for Corporates. All periodical and other compliance filings are filed electronically on NEAPS.
- BSE Listing Centre (Listing Centre)- BSE's Listing Centre is a web-based application designed for corporates. All periodical and other compliance related filings are filed electronically on the listing centre.
- SEBI Complaints Redress System (SCORES): The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised database of the complaints and uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.
- Investor Relations (IR)- Your Company continuously strives for excellence in its IR engagement with International and Domestic investors. Structured conference calls and periodic investor/analyst interactions, quarterly earnings calls and analyst meets were organised during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/analysts.

13. GENERAL SHAREHOLDER INFORMATION

(a) Registered Office	3rd Floor Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi- 682036, Kerala, India Ph:-91 484 4012046, 4012047 Fax: 91 484 4012048

(b) Annual General Meeting (AGM):

The ensuing AGM of the Company will be held on Thursday, August 20, 2020, at 3:00 PM, through video conferencing or other audio visual means. Notice of the ensuing AGM is separately provided along with the Annual Report.

(c) Financial Calendar for FY21

Quarter	Period ending	Date / Period
First quarter	June 30, 2020	On or before August 14, 2020
Second quarter/ half yearly	September 30, 2020	On or before November 14, 2020
Third quarter	December 31, 2020	On or before February 14, 2021
Fourth quarter/year	March 31, 2021	On or before May 30, 2021

(d) Trading window closure

The trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

(e) Dates of Book-Closure

The dates of the book closure shall be from August 14, 2020 to August 20, 2020 (both days inclusive).

(f) Dividend Payment

The Board of Directors at its meeting held on February 26, 2020, had declared an Interim Dividend of ₹ 3/- (300%) per share of ₹ 1/- each on Equity Share Capital of the Company. The Interim Dividend was paid to the Members of the Company whose name appeared in the Register of Members as on Record Date i.e. March 5, 2020.

(g) Unclaimed Dividends

In terms of Section 124(5) of the Companies Act, 2013 ("Act") if a member does not claim the dividend amount for a consecutive period of seven years or more, the unclaimed amount shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

During the year, the Company had transferred ₹ 2,322,317/- lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2011-12 to the said Fund on October 7, 2019.

(h) Listing at Stock Exchanges

1. National Stock Exchange of India Ltd
   Exchange Plaza, Bandra Kurla Complex, Bandra (E),
   Mumbai-400 051
   T: +91 22 26598100-14
   F: +91 22 26598237-38
   E: cmlist@nse.co.in
2. BSE Ltd
   Phiroje Jeejeebhoy Towers,
   1st Floor, Dalal Street
   Mumbai 400 001
   T: +91 22 22721233/34
   F: +91 22 22721919/3027
   E: corp.relations@bseindia.com

The annual listing fee for FY20 has been paid to all the aforesaid stock exchanges.

(i) Stock Code

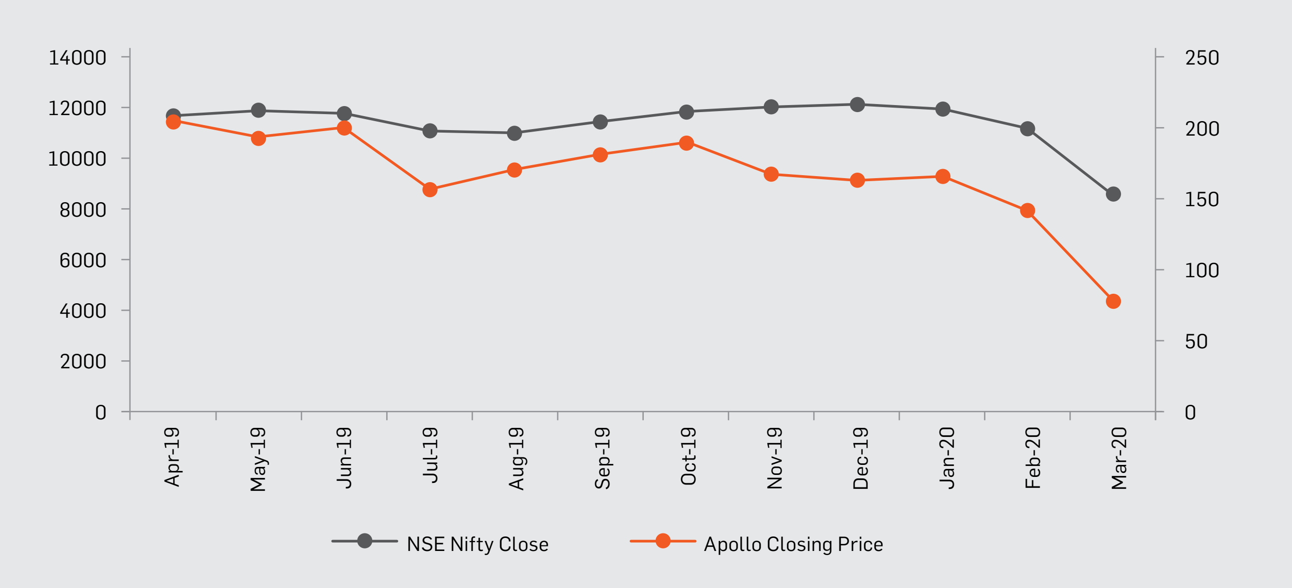
BSE Ltd.	500877
National Stock Exchange of India Ltd.	APOLLOTYRE

(j) Stock Market Price Data for FY20:

The Company's share price on NSE and Nifty Index

Month	NSE			Nifty Index	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April,2019	227.65	204.30	44.66	44.66	11,856.15
May,2019	206.60	174.00	60.27	60.27	12,041.15
June,2019	205.50	183.90	87.83	87.83	12,103.05
July,2019	204.60	148.40	62.49	62.49	11,981.75
August,2019	173.00	144.05	59.83	59.83	11,181.45
September,2019	192.45	167.50	49.48	49.48	11,694.85
October,2019	194.40	162.55	43.59	43.59	11,945.00
November,2019	196.75	161.90	63.54	63.54	12,158.80
December,2019	177.50	159.25	48.66	48.66	12,293.90
January,2020	182.35	158.45	50.44	50.44	12,430.50
February,2020	170.80	141.00	80.46	80.46	12,246.70
March,2020	145.80	73.40	101.61	101.61	11,433.00

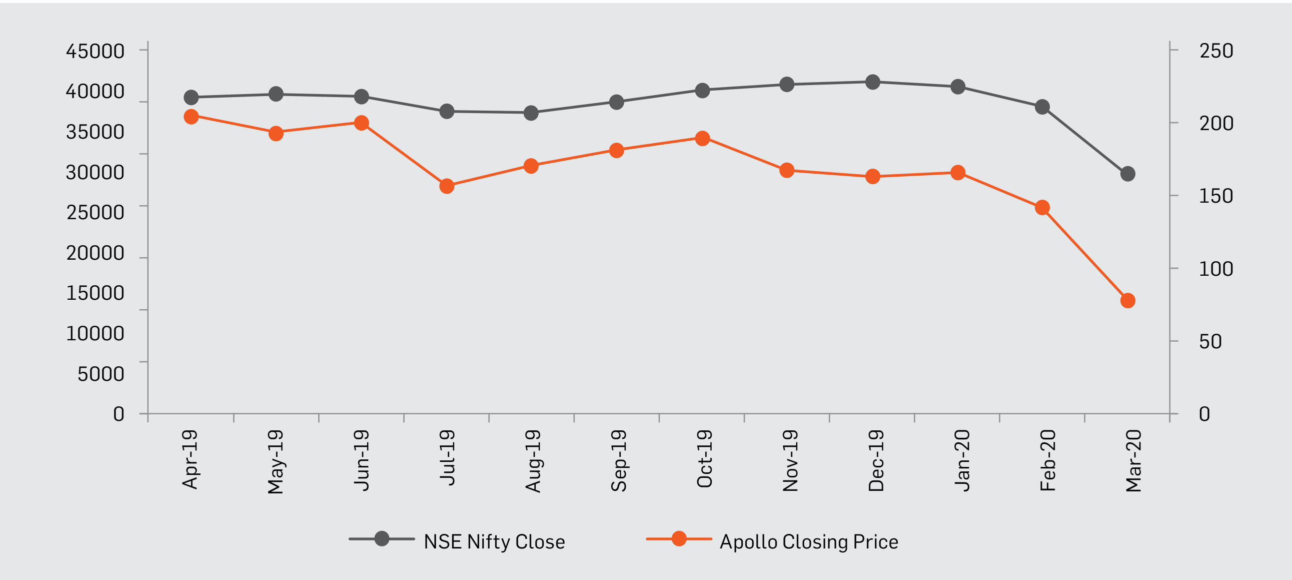
Apollo Tyres Shares Closing Price (₹) vis-à-vis NSE Nifty Close



The Company's share price on BSE and Sensex

Month	BSE			SENSEX	
	High (₹)	Low(₹)	Volume (in million)	High	Low
April,2019	227.50	204.35	1.78	39,487.45	38,460.25
May,2019	206.60	174.20	2.98	40,124.96	36,956.10
June,2019	205.50	184.00	12.95	40,312.07	38,870.96
July,2019	204.55	145.30	4.31	40,032.41	37,128.26
August,2019	174.00	144.05	3.59	37,807.55	36,102.35
September,2019	192.20	167.80	2.90	39,441.12	35,987.80
October,2019	194.40	162.70	3.05	40,392.22	37,415.83
November,2019	196.70	161.95	4.03	41,163.79	40,014.23
December,2019	178.15	159.35	2.32	41,809.96	40,135.37
January,2020	182.30	158.55	1.83	42,273.87	40,476.55
February,2020	171.05	141.00	2.78	41,709.30	38,219.97
March,2020	145.80	73.55	4.89	39,083.17	25,638.90

Apollo Tyres Shares Closing Price vis-à-vis BSE Sensex Close



(k) Shares Traded during April 1, 2019 to March 31, 2020

Particulars	BSE	NSE
No.of shares traded (in million)	47.41	752.86
Highest Share Price (in ₹)	227.50	227.65
Lowest Share Price (in ₹)	73.55	73.40
Closing Share Price (as on March 31, 2020)	79.35	79.40
Market Capitalisation (as on March 31, 2020) (₹ in million)	45,392.17	45,420.77

(l) Elimination of Duplicate Mailing

The shareholders who are holding physical shares in more than one folio in identical name, or in joint holder's name in similar order, may send the Share Certificate(s), along with request for consolidation of holding in one folio, to avoid mailing of multiple annual reports.

(m) Share Transfer System

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the half yearly certificates from the Company Secretary in practice for due compliance of share transfer formalities.

(n) Distribution of Shareholding

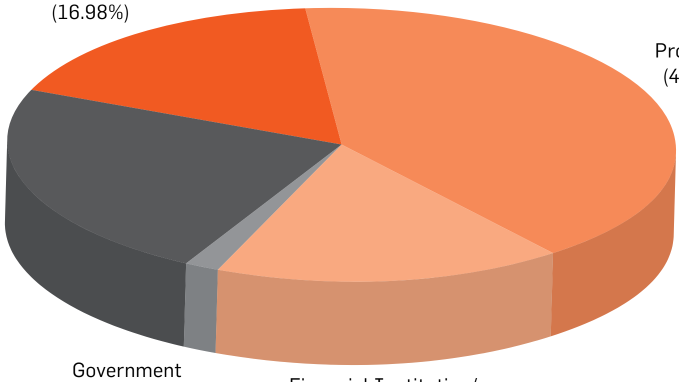
The following is the distribution of shareholding of equity shares of the Company as on March 31, 2020:-

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
UPTO 5000	192,342	99.51	39,313,053	6.87
5001 - 10000	458	0.24	3,390,109	0.59
10001 - 20000	172	0.09	2,511,064	0.44
20001 - 30000	56	0.03	1,377,109	0.24
30001 - 40000	30	0.01	1,057,881	0.19
40001 - 50000	20	0.01	923,823	0.16
50001 – 100000	50	0.02	3,553,558	0.62
100001 AND ABOVE	168	0.09	519,923,383	90.89
Grand-Total	**193,296**	**100.00**	**572,049,980**	**100.00**

The Promoter and Promoter group hold 233.99 million shares constituting 40.90% of the share capital of the Company as on March 31, 2020.

Categories of shareholders as on March 31, 2020

Category	No. of shares	%
Promoters	233,989,131	40.90
Financial Institutions/Banks/Mutual Funds	97,599,203	17.06
Government of Kerala/KSIDC	10,000,000	1.75
FII/NRIs	133,347,286	23.31
Public	97,114,360	16.98
Total	**572,049,980**	**100.00**



(o) Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

The Company Secretary in practice conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed and is also placed before the Board.

(p) Dematerialisation of Shares and Liquidity

The equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE438A01022.

As on March 31, 2020, 98.56% of the share capital stands dematerialised. BSE and NSE have permitted trading of Apollo Tyres' share into future and option (F&O) segment w.e.f. February 19, 2010.

(q) Share Transfer/Demat Registry work

All share transfers/demat are being processed in house. The Company has established direct connectivity with NSDL/ CDSL for carrying out demat completely in house.

(r) Share Transfer Department

All communications regarding change of address for shares held in physical form, dividend etc. should be sent at the Company's Corporate Office at:-

Apollo Tyres Ltd
Apollo House, 7, Institutional Area
Sector-32, Gurgaon–122 001(Haryana)
T: +91 124 2721000
F: +91 124 238 3351
E: investors@apollotyres.com

(s) ECS Mandate

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

(t) Participation & Voting at AGM

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by SEBI, the 47th 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 47th AGM.

Register e-mail address

To contribute towards greener environment, the Company proposes to send documents like shareholders meeting notice/other notices, audited financial statements board's report, auditors' report or any other document, to members in electronic form at the e-mail address provided by them and/ or available to the Company by the Depositories.

Members who have not yet registered their e-mail address (including those who wish to change their already registered e-mail address) may get the same registered/updated either with their depository participants or by writing to the 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.

Secretarial Department
Apollo Tyres Ltd.
Apollo House, 7, Institutional Area, Sector 32, Gurgaon 122001
Tel: +91 124 2721000

(w) As on March 31, 2020, there were no outstanding GDRs/ ADRs/Warrants or any convertible instruments.

(x) Adoption of mandatory and discretionary requirements of Corporate Governance as specified in Regulations 17 to 27 and Regulation 34(3) read with Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CG Compliances

Particulars	Regulation	Compliance Status (Yes/No/NA)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	YES
Board composition	17(1), 17(1A) & 17(1B)	YES
Meeting of Board of Directors	17(2)	YES
Quorum of Board Meeting	17(2A)	YES
Review of Compliance Reports	17(3)	YES
Plans for orderly succession for appointments	17(4)	YES
Code of Conduct	17(5)	YES
Fees/compensation	17(6)	YES
Minimum Information	17(7)	YES
Compliance Certificate	17(8)	YES
Risk Assessment & Management	17(9)	YES
Performance Evaluation of Independent Directors	17(10)	YES
Recommendation of Board	17(11)	YES
Maximum number of Directorships	17A	YES
Composition of Audit Committee	18(1)	YES
Meeting of Audit Committee	18(2)	YES
Composition of Nomination & Remuneration Committee	19(1) & (2)	YES
Quorum of Nomination and Remuneration Committee meeting	19(2A)	YES
Meeting of Nomination and Remuneration Committee	19(3A)	YES
Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	YES
Meeting of Stakeholders Relationship Committee	20(3A)	YES
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	YES
Meeting of Risk Management Committee	21(3A)	YES
Vigil Mechanism	22	YES
Policy for related party transaction	23(1),(1A),(5),(6), (7) & (8)	YES
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	YES
Approval for material related party transactions	23(4)	YES
Disclosure of related party transactions on consolidated basis	23(9)	YES

Particulars	Regulation	Compliance Status (Yes/No/NA)
Composition of Board of Directors of unlisted material Subsidiary	24(1)	YES
Other Corporate Governance requirements with respect to Subsidiary of listed entity	24(2),(3),(4),(5) & (6)	YES
Annual Secretarial Compliance Report	24(A)	YES
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	YES
Meeting of Independent Directors	25(3) & (4)	YES
Familiarization of Independent Directors	25(7)	YES
Declaration from Independent Director	25(8) & (9)	YES
D & O Insurance for Independent Directors	25(10)	YES
Memberships in Committees	26(1)	YES
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	YES
Disclosure of Shareholding by Non-Executive Directors	26(4)	YES
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	YES

The Company has adopted following discretionary requirements of Regulation 27 read with Schedule II Part E of the Listing Regulations:-

Modified Opinion(s) in audit report

The Company is in the regime of financial statements with unmodified audit opinion.

Reporting of internal auditor

The internal auditor is reporting directly to the Audit Committee.

(y) As on March 31, 2020, our shares were not suspended from trading.

(z) Commodity price risk or foreign exchange risk and hedging activities during the FY20.

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.

14. ADDITIONAL INFORMATION

(a) Investor Relations Section

The Investors Relations Section is located at the Corporate Office of the Company.

Contact person	:	Ms. Seema Thapar, Compliance Officer
Time	:	10:00 AM to 6:00 PM on all working days of the Company (except Saturdays and Sundays)
Tel No.:	:	+91 124 2721000
Fax No:	:	+91 124 2383351
E-mail:	:	investors@apollotyres.com

(b) Bankers

Axis Bank Ltd.
Bank of India
BNP Paribas
Canara Bank
Citibank N.A.
Federal Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Kotak Mahindra Bank Ltd.
Mizuho Bank Ltd
Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation
The Bank of Nova Scotia
MUFG Bank Ltd.
The Hongkong and Shanghai Banking Corporation Limited
Union Bank of India
RBL Bank Ltd.

(c) Credit Rating

During the year, the following rating agencies, rated our bank facilities and other debt programs as under:-

i) On March 31, 2020, CRISIL has reaffirmed its 'CRISIL AA+/Stable/CRISIL A1+' ratings on the bank facilities and debt instruments of the Company.

ii) On March 4, 2020, India Ratings and Research (Ind-Ra) has affirmed the Company's Long-Term Issuer Rating and Commercial Paper Rating at 'IND AA+' (with stable outlook) and A1+ respectively.

(d) Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants.

(e) Cost Auditors

M/s. N.P. Gopalakrishnan & Co., Cost Accountants.

With reference to the General Circular No. 15/2011 – 52/5/CAB-2011 dated April 11, 2011, issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor and filing of cost audit report with Central Government:

Particulars of the Cost Auditor	Details of Cost Audit Report filed for the period ended March 31, 2019
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: December 27, 2019

(f) Code of Conduct for Prevention of Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has formulated a comprehensive Code of Conduct for 'Prevention of Insider Trading' in the securities of the Company. This Code of Conduct is applicable to Promoters, Directors, Chiefs, Group Heads, Heads and such other employees of the Company and others who are expected to have access to unpublished price sensitive information.

The Board at its meeting held on May 12, 2015, has approved the Code of Conduct for Prevention of Insider Trading, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from May 15, 2015.

The Code of Conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of the Company, and cautioning them of consequences of violations. The Company Secretary of the Company is the Compliance Officer.

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which was effective from April 1, 2019, the existing Code of Conduct to Regulate, Monitor and Report Trading by Insiders was amended to align with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The revised Code of Conduct to Regulate, Monitor and Report Trading by Designated persons was approved/ratified by the Board on May 9, 2019.

(g) Code of Conduct for Directors and Senior Management

The Board of Directors of Apollo Tyres Ltd. has laid down a code of business conduct called "The Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Company has put in place, all the systems and procedures to ensure the compliances of Insider Trading Regulations. In order to create more awareness on the "SEBI Prohibition on Insider Trading Regulations" amongst the designated persons, various training sessions were conducted during FY20.

The Code is applicable to all the Directors and Senior Management of the Company. The Company Secretary of the Company is the Compliance Officer.

Declaration Affirming Compliance of provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended March 31, 2020.

ONKAR S. KANWAR
Chairman & Managing Director

(h) Whistle Blower Policy/Vigil Mechanism

Apollo Tyres Ltd. believes in the conduct of its business affair in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In order to inculcate accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. Your Company has approved a Whistle Blower Policy which will enable all employees, Directors and other stakeholders to raise their genuine concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice or irregularity within the Company and/or to report to the management instances of unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct or Ethics Policy. The Audit Committee of the Company periodically reviews the functioning of whistle blower mechanism.

In terms with the policy, an Internal Grievance Redressal Committee (IC) has been constituted by the Company, which is headed by the Chairman of the Audit Committee of the Board. Company Secretary of the Company acts as an Ombudsman who, on receipt of complaint, examines the possible intentions and genuineness of the disclosure in advance before referring it to the IC for investigations. The IC, after investigation, submits a report to the Audit Committee.

No personnel of the Company has been denied access to the Audit Committee.

No complaint under whistle blower policy has been received during FY20.

(i) Code of Practices and Procedures for Fair Disclosure

The Board at its meeting held on May 12, 2015, has approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from May 15, 2015.

The Code lays down broad standards of compliance and ethics, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations. The Code is required to be complied in respect of all corporate disclosures in respect of the Company and/or its Subsidiary Companies, including Overseas Subsidiaries.

The Company Secretary of the Company is the Compliance Officer.

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which was effective from April 1, 2019, the existing Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information was amended to align with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information was approved/ratified by the Board on May 9, 2019.

The Board has also approved/ratified the Policy and Procedure for reporting and inquiry in case of leak or suspected leak of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

(j) Policy to prevent and deal with sexual harassment

The Company is an equal employment opportunity employer and is committed to creating a healthy and productive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that an act of sexual harassment results in the violation of the fundamental rights. Such acts violate the right to equality, right to life and to live with dignity and right to practice any profession or to carry on any occupation, trade or business, which also includes a right to have a safe and healthy work environment free from sexual harassment.

In keeping with its belief and in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereof, the Company adopts the policy to prevent and deal with sexual harassment at the workplace. The Company is committed to provide to all employees who are present at the workplace, a work environment free from sexual harassment, intimidation and exploitation.

Status of the Complaint received relating to Sexual harrassment during FY20:-

Particulars	No. of Complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	N.A.
Number of complaints pending as on end of the financial year	N.A.

(k) Familiarisation Programme for Independent Directors

The Company has adopted a familiarisation programme for Independent Directors with an objective of making the Independent Directors of the Company accustomed with the business and operations of the Company through various structured oriented programme. The familiarisation programme also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to take well informed and timely decision.

The details of familiarisation programme imparted to Independent Directors during FY20 are available on the website of the Company. The weblink is https://staticcdn.apollotyres.com/CMSOriginal/3984/details-of-familiarisation-programme-fy2020.pdf

(l) Succession Policy

In terms with the Nomination & Remuneration Policy of the Company, the Nomination & Remuneration Committee reviews the succession policy from time to time and assists the Board to ensure that the plans are in place for succession for appointments to the Board and to Senior Management.

(m) Shareholders Satisfaction Survey

An online survey is posted on the Company's website at https://s3.eu-central-1.amazonaws.com/apolloproducts/3985/shareholder-satisfaction-survey.pdf. Shareholders who have not yet participated in the survey can go to the above link and take part in the survey and provide us their valuable feedback.

(n) Integrated Reporting

The Company being one of the top 500 Companies in the Country in terms of market capitalization, has adopted Integrated Reporting describing initiatives undertaken by the Company for enhancing stakeholders' value in the long term. The report on Integrated Reporting is provided in a separate section forming part of this Annual Report.

(o) Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

(p) Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulations 43A of Listing Regulations which inter-alia specifies the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend. Dividend Distribution Policy is attached as Annexure A to the Corporate Governance Report.

The dividend declared in last five years are as follows:

Period	Dividend (%)
FY20*	300
FY19	325
FY18	300
FY17	300
FY16	200
FY15	200

* The Board of Directors at its meeting held on February 26, 2020 had declared an Interim Dividend of ₹ 3/- (300%) per share of ₹ 1/- each on Equity Share Capital of the Company.

(q) Global Code of Conduct

The Company has designed a global "Code of Conduct Policy" ("Code") to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company including Associates, Subsidiaries and Joint Ventures. The Company has rolled out mandatory online training of all the employees for successful implementation of the Code.

(r) Governance of Subsidiary Companies

The Company has a well-established corporate governance framework to create sound governance practices and promote best practices for its various Subsidiaries in multiple jurisdictions across the world. The Company ensures that the governance of Subsidiaries especially the material Subsidiaries reflect the same values, ethics, controls and processes as being followed at the parent Company level.

The Company maintains close relationship with the Subsidiaries Board and regularly review and encourage regular feedback on the operation of subsidiary governance framework. The Company follows a fair, transparent and ethical governance practices for its overseas Subsidiaries which is essential for achieving long term corporate goals and to enhance stakeholder's value.

(s) General Data Protection Regulation (GDPR)

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 are in process on preparing/updating various processes to ensure compliance to the EU GDPR requirements.

(t) Declaration by Independent Directors under sub-section (6) of Section 149 & Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During FY20, the Company received declaration in terms of the provisions of Section 149(6) & 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from the following Independent Directors viz. Mr. Akshay Chudasama, Ms. Anjali Bansal, Gen. Bikram Singh (Retd.), Ms. Pallavi Shroff, Mr. Vinod Rai and Mr. Vikram S. Mehta.

(u) 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. (022) 26533535
Fax No. (022) 26533297

(v) Web link for various documents

The following documents/information are linked with the website of the Company, i.e. www.apollotyres.com:-

Particulars	Web link
Familiarization programme for Independent Directors	https://corporate.apollotyres.com/en-in/investors/directors-information/?filter=Familiarisation Programme
Policy for determining 'material' subsidiaries	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Policy on Related Party Transactions	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
CSR policy	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Code of Conduct for Directors and Senior Management	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Whistle Blower Policy/Vigil Mechanism	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Policy on preservation and archival of documents	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Policy on determination of materiality of events or information	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Code of Practices and Procedures for Fair Disclosure of UPSI	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Dividend Distribution Policy	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=CodesPolicies
Annual Return under Section 92(3) of the Companies Act, 2013	https://corporate.apollotyres.com/en-in/investors/corporate-governance/?filter=Others

(w) 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 B to the Corporate Governance Report.

Declaration Affirming Compliance of Whistle Blower Policy

To the best of my knowledge and belief, I hereby affirm that no personnel of the Company has been denied access to the Audit committee during FY20.

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 19, 2020

ONKAR S. KANWAR
Chairman & Managing Director

DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the "**Board**") of Apollo Tyres Ltd (the "**Company**") has adopted the Dividend Distribution Policy (the "**Policy**") of the Company as required in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") at its meeting held on November 9, 2016.

1. EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. November 9, 2016.

2. PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ("**SEBI**") vide its Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every financial year. Considering the provisions of the aforesaid Regulation 43A, the Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board, with regard to distribution of dividend to its shareholders and/or retaining its profits. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the manner set out in paragraph 9 below.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for future growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

The Policy shall not apply to distribution of Dividend by Subsidiaries/Associates/Joint Ventures of Apollo Tyres Ltd.

3. APPLICABLE LAWS

The Company will adhere with the requirements of all the applicable provisions of Companies Act, 2013 (the "Act") and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for distribution of dividend.

4. DECLARATION AND PAYMENT OF DIVIDEND

The declaration and payment of dividend shall be in accordance with the provisions of the Listing Regulations, Section 123 to 127 of the Act and any other provisions as may be applicable. The Company shall declare dividend for any financial year subject to the following:

a) out of the profits of the Company for that year arrived after providing for depreciation; or
b) out of the profits of the Company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed; or
c) out of both (a) and (b).

The dividend shall be declared or paid by the Company out of its free reserves.

5. FINANCIAL PARAMETERS

The Dividend payout may be in the range of 15% to 30% of Consolidated Net Profit every year:

i. In line with the trend of Global Tyre Industry and Indian auto component industry;
ii. Higher than trend of the Indian Tyre Industry.

The Board shall consider the following parameters, while taking decisions for declaration and payment of dividend during a particular year-

i. Balance sheet strength;
ii. Overall economic scenario;
iii. Near future cash flow needs of the Company; and
iv. Any other relevant factors and material events.

6. FACTORS FOR DECLARATION OF DIVIDEND

The Board shall also consider the following internal and external factors before declaring or recommending the dividend to the shareholders:

6.1 Internal Factors

i. Mid-term growth projects before the Company;
ii. Agreements with lending institutions;
iii. Debt payments coming up next year;
iv. Expectations of major stakeholders, including small shareholders; and
v. Any other prudential requirements

6.2 External Factors

i. Prevailing statutory provisions under Companies Act, 2013, tax laws including dividend distribution tax and other regulatory concerns;
ii. Macroeconomic conditions/overall economic/ business scenario;
iii. Capital market conditions;
iv. Relevant industry practice; and
v. Any other factor as deemed fit by the Board.

7. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make alternative use of the available funds and increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

i. Growth projects;
ii. Modernization plan;
iii. Diversification of business;
iv. Long term strategic plans;
v. Replacement of capital assets;
vi. Anticipation of future capital being difficult to raise or being costly; and
vii. Other such criteria as the Board may deem fit from time to time.

8. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board shall consider the factors provided above before determination of any dividend after analyzing the prospective opportunities and threats, viability of the options of dividend distribution or retention etc. The decision of dividend may be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

Under the following circumstances, the dividend may not be expected by the shareholders:

a) Whenever the Company proposes to utilize surplus cash for buyback of securities;
b) In the event of loss or inadequacy of profits;
c) Whenever the Company undertakes or proposes to undertake a large expansion project requiring higher allocation of capital.

9. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHAREHOLDERS

At present the Company has only one class of shareholder i.e. equity shareholders. The Policy shall be reviewed and amended if the Company issues shares to any other class of shareholders.

10. MANNER OF DIVIDEND

In case of final dividend

i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company;
ii. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company;
iii. The payment of dividend shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable law.

In case of interim dividend

i. Interim dividend, if any, shall be declared by the Board;
ii. Before declaring interim dividend, the Board shall consider the financial position of the Company whether it allows the payment of such dividend;
iii. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws;
iv. The dividend as declared by the Board shall be confirmed at the annual general meeting of the Company. In case no final dividend is declared, interim dividend will be regarded as final dividend in the annual general meeting.

11. DISCLOSURE

The Company shall make appropriate disclosures as per the Listing Regulations and/or other applicable laws.

The Company shall disclose this Policy on its website (www.apollotyres.com) and in its Annual Report and shall also update the Policy on its website and in its Annual Report, as and when any changes are made in the Policy.

If the Company proposes to declare dividend on the basis of any additional parameters, it shall disclose such changes along with the rationale for the same on its website and in its Annual Report.

12. REVIEW

This policy shall be reviewed periodically (every 3 years) to factor in the industry trend / Company needs.

13. CONFLICT OF POLICY

In the event of Policy being inconsistent with any regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this Policy.

14. AMENDMENT

The Board may review and amend the Policy, as and when required to give effect to any changes/amendments notified by any regulator under the applicable law from time to time.

ANNEXURE B

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 -682036, Kerala

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 3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi-682036, Kerala (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 ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in the Company*
1.	00058921	Mr. Onkar S. Kanwar	03.06.1982
2.	00058951	Mr. Neeraj Kanwar	28.05.1999
3.	00010630	Mr. Akshay N. Chudasama	11.11.2013
4.	00207746	Ms. Anjali Bansal	01.11.2017
5.	07259060	Gen. Bikram Singh (Retd.)	11.08.2015
6.	07413105	Mr. Francesco Gori	09.02.2016
7.	00013580	Ms. Pallavi Shardul Shroff	15.05.2014
8.	00178792	Mr. Robert Steinmetz	10.09.1999
9.	07527148	Mr. Satish Sharma	01.04.2019
10.	00058859	Mr. Sunam Sarkar	28.01.2004
11.	00041197	Mr. Vikram Singh Mehta	06.02.2013
12.	00041867	Mr. Vinod Rai	09.02.2016

*The date of appointment is the original date of appointment as per the MCA portal.

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.

Limitations

It is to be that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates vide orders dated March 29, 2020, April 15, 2020 and May 01, 2020 for containment of spread of Covid-19, the abovementioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents.

For **PI & Associates**
Company Secretaries

Ankit Singhi
Partner
ACS No.: 20642
C P No.: 16274
UDIN: A020642B000285478
Date: May 27, 2020

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Apollo Tyres Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 July 2019.

2. We have examined the compliance of conditions of corporate governance by Apollo Tyres Limited ('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2020.

   We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

per **David Jones**
Partner
Membership No.: 98113

Place: Gurgaon
Date: 19 May 2020

CEO AND CFO CERTIFICATE

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,
Apollo Tyres Ltd.,
3rd Floor, Areekal Mansion,
Near Manorama Junction,
Panampilly Nagar,
Kochi- 682036 (Kerala)

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, 2020 and that to the best of our knowledge and belief:

   i these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii these statements including cash flow statement present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.

d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud found by management or employees having a significant role in the Company's internal control system over financial reporting.

For **Apollo Tyres Limited**

Date: May 12, 2020	**Onkar S Kanwar**	**Gaurav Kumar**
Place: New Delhi	(Chairman & Managing Director)	(Chief Financial Officer)

INDEPENDENT AUDITOR'S REPORT

To the Members of Apollo Tyres Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of Apollo Tyres Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note A3.27 of the standalone financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit procedures addressed the key audit matter
A. Provision for sales related obligations As at 31 March 2020, the Company carries provisions for sales related obligations amounting to ₹ 1,388.91 million (Refer note C7). Such provision is recognised based on past trends, frequency, expected cost of obligations, management estimates regarding possible future incidences and appropriate discount rates for non-current portion of the obligations. These estimates require high degree of management judgement with respect to the underlying assumptions, thus giving rise to inherent subjectivity in determining the amounts to be recorded in the financial statements. Considering the materiality of the above matter to the financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.	Our audit procedures included: a) Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of recognition, measurement and completeness of the sales related obligations; b) Tested the management's computation of sales related obligations by evaluating the reasonability of the key assumptions, reviewing the contractual terms, comparing the assumptions to historical data and analysing the expected costs of incidences; c) Traced the inputs used in the computations, to the relevant accounting records, including discussions with the relevant management personnel and tested the arithmetical accuracy of the computation; d) Compared the amounts recognized as provision in the past years with the corresponding settlements and assessed whether the aggregate provisions recognized as at the current year-end were sufficient to cover expected costs in light of known and expected incidences; e) Performed sensitivity analysis on the management's computation by evaluating the impact of change on the obligation by changing certain key assumptions such as discount rates used; and f) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.

Key audit matter	How our audit procedures addressed the key audit matter
B. Litigations and claims: provisions and contingent liabilities As included under Note C16 [contingent liability note] and Note C7 [Provision for contingencies note] to the standalone financial statements, the Company is involved in direct and indirect tax litigations ('litigations') amounting to ₹ 3,411.57 million that are pending with various tax authorities. Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognised or disclosed in the standalone financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year	Our procedures included, but were not limited to, the following: a) Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof; b) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts; c) Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved; d) Assessed management's conclusions through discussions held with their in house tax experts and understanding precedents in similar cases; e) Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities; f) Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and g) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 19 May 2020 as per Annexure II expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note C16 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

        ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company other than ₹ 4.30 million (31 March 2019: ₹ 3.74 million) pertaining to amount of dividend which has not been transferred as per the orders/ instructions under the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

David Jones
Partner
Membership No.: 98113
UDIN: 20098113AAAAAF9181

Place: Gurgaon
Date: 19 May 2020

ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company, except for certain lands included under the head 'Capital work in progress', {admeasuring 8,836,150 square feet and carrying a cost of ₹ 248 million}, the title deeds to which, according to the information and explanation given to us, are yet to be transferred in the name of the Company. Immovable properties in the nature of land whose title deeds have been pledged as security for loans are held in the name of the Company, which is verified from confirmations directly received by us from lenders. In respect of immovable properties in the nature of land and building that have been taken on lease and disclosed under the head property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the agreement.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments and guarantees. There are no loans and security given by the Company.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ million)	Amount paid under protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act applicable to various states	Sales tax	566.70	149.40	1992-93 to 2017-18	Various appellate authorities/ Revenue board/ High Court
Central Excise Act, 1944	Excise duty and additional excise duty	567.92	11.48	2002-03 to 2018-19	Various appellate authorities/ Supreme Court
Finance Act, 1994	Service tax	528.59	33.80	2004-05 to 2015-16	Various appellate authorities
Income-tax Act, 1961	Income tax	1,748.36	110.71	1988-89 to 2013-14	Various appellate authorities/ High Court

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided for by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

David Jones
Partner
Membership No.: 98113
UDIN: 20098113AAAAAF9181

Place: Gurgaon
Date: 19 May 2020

ANNEXURE II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Apollo Tyres Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

David Jones
Partner
Membership No.: 98113
UDIN: 20098113AAAAAF9181

Place: Gurgaon
Date: 19 May 2020

BALANCE SHEET

as on March 31, 2020

₹ Million

Particulars		Notes	As on March 31, 2020	As on March 31, 2019
A.	**ASSETS**			
1.	**Non-current assets**			
(a)	Property, plant and equipment	B1	92,531.56	63,680.79
(b)	Capital work-in-progress		12,720.71	6,549.00
(c)	Intangible assets	B1	320.36	314.39
(d)	Financial assets			
	i. Investments	B2	24,095.19	22,325.73
	ii. Other financial assets	B3	2,326.12	1,210.57
(e)	Other non-current assets	B4	3,650.49	7,304.50
	Total non-current assets		**135,644.43**	**101,384.98**
2.	Current assets			
(a)	Inventories	B5	18,082.51	20,514.79
(b)	Financial assets			
	i. Trade receivables	B6	4,450.83	7,794.95
	ii. Cash and cash equivalents	B7	2,256.26	2,103.80
	iii. Bank balances other than (ii) above	B8	109.58	71.85
	iv. Other financial assets	B9	99.57	283.38
(c)	Other current assets	B10	4,176.71	4,335.62
	Total current assets		**29,175.46**	**35,104.39**
	TOTAL ASSETS (1 + 2)		**164,819.89**	**136,489.37**
B.	**EQUITY AND LIABILITIES**			
1.	**Equity**			
(a)	Equity share capital	B11	572.05	572.05
(b)	Other equity		76,349.42	75,839.56
	Total equity		**76,921.47**	**76,411.61**
	Liabilities			
2.	**Non-current liabilities**			
(a)	Financial liabilities			
	i. Borrowings	B12	32,083.24	24,438.55
	ii. Other financial liabilities	B13	5,319.45	15.34
(b)	Provisions	B14	503.32	498.82
(c)	Deferred tax liabilities (net)	C8	5,312.69	5,754.60
(d)	Other non-current liabilities	B15	3,754.95	2,879.47
	Total non-current liabilities		**46,973.65**	**33,586.78**
3.	**Current Liabilities**			
(a)	Financial liabilities			
	i. Borrowings	B16	11,180.69	2,925.07
	ii. Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	C19	170.80	128.55
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	B17	15,936.37	13,558.05
	iii. Other financial liabilities	B18	10,182.59	4,572.62
(b)	Other current liabilities	B19	1,092.90	2,842.88
(c)	Provisions	B20	1,801.91	1,659.79
(d)	Current tax liabilities (net)	B21	559.51	804.02
	Total current liabilities		**40,924.77**	**26,490.98**
	TOTAL EQUITY AND LIABILITIES (1 + 2 + 3)		**164,819.89**	**136,489.37**

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

New Delhi
May 19, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

₹ Million

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
1.	REVENUE FROM OPERATIONS:			
	Sales		108,326.97	120,895.83
	Other operating income	B22	2,293.31	2,641.82
			110,620.28	**123,537.65**
2.	OTHER INCOME	B23	348.98	1,114.70
3.	TOTAL INCOME (1 + 2)		**110,969.26**	**124,652.35**
4.	EXPENSES:			
(a)	Cost of materials consumed	B24	60,729.50	75,838.42
(b)	Purchase of stock-in-trade	B24	6,517.26	7,355.28
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	B25	1,128.28	(2,614.66)
(d)	Employee benefits expense	B24	8,261.17	7,372.42
(e)	Finance costs	B26	2,256.96	1,378.55
(f)	Depreciation and amortisation expense	B1	6,207.05	4,463.32
(g)	Other expenses	B24	20,055.19	20,795.10
	Total expenses		**105,155.41**	**114,588.43**
5.	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3 - 4)		5,813.85	10,063.92
6.	EXCEPTIONAL ITEMS		-	2,000.00
7.	PROFIT BEFORE TAX (5 - 6)		5,813.85	8,063.92
8.	TAX EXPENSE:			
(a)	Current tax expense		1,026.56	1,806.52
(b)	Deferred tax		(298.95)	336.31
	Total		**727.61**	**2,142.83**
9.	NET PROFIT FOR THE YEAR (7 - 8)		**5,086.24**	**5,921.09**
10.	OTHER COMPREHENSIVE INCOME			
I	i. Items that will not be reclassified to profit or loss			
	a. Remeasurements of the defined benefit plans		(245.40)	27.94
	ii. Income tax		85.75	(9.76)
			(159.65)	**18.18**
II	i. Items that may be reclassified to profit or loss			
	a. Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge		(163.71)	(99.69)
	ii. Income tax		57.21	34.83
			(106.50)	**(64.86)**
	Other comprehensive (loss) (I + II)		**(266.15)**	**(46.68)**
	Total comprehensive income for the year (9 + 10)		**4,820.09**	**5,874.41**
	Earnings per share (of ₹ 1 each)	C29		
	(a) Basic (₹)		8.89	10.35
	(b) Diluted (₹)		8.89	10.35

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

ONKAR S. KANWAR
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DIN 00058921

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Director
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Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

₹ Million

	Reserves and surplus								Items of other comprehensive income		
	Securities premium	General reserve	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	Total
Balance as on April 01, 2018	**20,866.72**	**13,006.63**	**1,383.68**	**629.31**	**25.50**	**44.40**	**0.07**	**35,989.08**	**57.45**	**31.22**	**72,034.06**
Profit for the year								5,921.09			5,921.09
Effective portion of cash flow hedge									(99.69)		(99.69)
Income tax on effective portion of cash flow hedge									34.83		34.83
Remeasurements of the defined benefit plans								27.94			27.94
Income tax on Remeasurements of the defined benefit plans								(9.76)			(9.76)
Total comprehensive income for the year								**5,939.27**	**(64.86)**		**5,874.41**
Transaction with owners in their capacity as owners											
Payment of dividend (₹ 3 per share)								(1,716.15)			(1,716.15)
Tax on dividend								(352.76)			(352.76)
Transfer from retained earnings		1,000.00		410.19				(1,410.19)			-
Balance as on March 31, 2019	**20,866.72**	**14,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**38,449.25**	**(7.41)**	**31.22**	**75,839.56**
Profit for the year								5,086.24			5,086.24
Effective portion of cash flow hedge									(163.71)		(163.71)
Income tax on effective portion of cash flow hedge									57.21		57.21
Remeasurements of the defined benefit plans								(245.40)			(245.40)
Income tax on Remeasurements of the defined benefit plans								85.75			85.75
Total comprehensive income for the year								**4,926.59**	**(106.50)**		**4,820.09**
Transaction with owners in their capacity as owners											
Payment of dividend (₹ 3.25 per share)								(1,859.16)			(1,859.16)
Payment of interim dividend (₹ 3.00 per share)								(1,716.15)			(1,716.15)
Tax there on (dividend and interim dividend)								(734.92)			(734.92)
Transfer from retained earnings		1,000.00						(1,000.00)			-
Balance as on March 31, 2020	**20,866.72**	**15,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**38,065.61**	**(113.91)**	**31.22**	**76,349.42**

For and on behalf of the Board of Directors

ONKAR S. KANWAR
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DIN 00058921

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Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

CASH FLOW STATEMENT

for the year ended March 31, 2020

₹ Million

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
(i)	**Net profit before tax**		**5,813.85**		**8,063.92**
Add:	Adjustments for:				
	Depreciation and amortisation expenses	6,207.05		4,463.32	
	(Profit) on sale of property, plant and equipment (net)	(0.32)		(8.30)	
	Dividend from non-current and current investments	(2.67)		(50.83)	
	Provision for constructive liability	16.57		34.46	
	Provision for compensated absences	18.43		11.27	
	Provision for superannuation	3.02		2.50	
	Change in fair value of investments	-		(0.04)	
	Provisions/ Liabilities no longer required written back	-		(367.13)	
	Unwinding of deferred income	(1,735.41)		(1,438.44)	
	Finance cost	2,256.96		1,378.55	
	Interest income	(38.01)		(349.89)	
	Provision for Inter corporate deposit	-		2,000.00	
	Provision for estimated loss on derivatives	(79.83)		(184.62)	
	Unrealised (gain)/loss on foreign exchange fluctuations	253.54	**6,899.33**	103.09	**5,593.94**
(ii)	**Operating profit before working capital changes**		**12,713.18**		**13,657.86**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	2,432.28		(3,299.88)	
	Trade receivables	3,420.61		(2,396.84)	
	Other financial assets (current and non current)	(140.35)		(63.62)	
	Other current assets	(95.38)	5,617.16	(390.36)	(6,150.70)
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	2,090.54		(1,436.73)	
	Other financial liabilities	1,365.70		1,893.25	
	Other liabilities (current and non current)	(1,670.37)		522.47	
	Provisions for contingencies	-		(365.00)	
	Provisions for sales related obligations	108.60	**1,894.47**	(261.51)	**352.48**
(iii)	**Cash generated from operations**		**20,224.81**		**7,859.64**
Less:	Direct taxes paid (net of refund)		1,271.07		1,932.92
	Net cash generated from operating activities		**18,953.74**		**5,926.72**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment	(25,340.32)		(16,423.06)	
	Proceeds from sale of fixed assets	192.87		97.24	
	Proceeds from/ (Investments) in Mutual Funds	-		3,640.48	
	Investment in non-current investment	(1,769.46)		(206.94)	
	Inter corporate deposits matured, net	-		7,750.00	
	Dividends received from current and non-current investments	2.67		50.83	
	Interest received	162.89		524.31	
	Net cash used in investing activities		**(26,751.35)**		**(4,567.14)**

CASH FLOW STATEMENT

for the year ended March 31, 2020 (Contd.)

₹ Million

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from non-current borrowings	7,318.75		5,438.31	
	Repayment of non-current borrowings	(166.85)		(256.87)	
	Proceeds from/ (Repayment) of Current borrowings (net)	8,378.10		(3,528.95)	
	Payment of dividend (including dividend tax)	(4,310.23)		(2,068.91)	
	Payment of Lease liabilities	(1,358.86)		-	
	Finance charges paid	(1,788.36)		(1,363.65)	
	Net cash generated from/ (used) financing activities		**8,072.55**		**(1,780.07)**
	Net increase / (decrease) in cash and cash equivalents		**274.94**		**(420.49)**
	Cash and cash equivalents as at the beginning of the year		2,103.80		2,544.51
Less:	Cash credits as at the beginning of the year		123.17		143.39
	Adjusted cash and cash equivalents as at beginning of the year		**1,980.63**		**2,401.12**
	Cash and cash equivalents as at the end of the year		2,256.26		2,103.80
Less:	Cash credits as at the end of the year		0.69		123.17
	Adjusted cash and cash equivalents as at the end of the year		**2,255.57**		**1,980.63**

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

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New Delhi
May 19, 2020

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For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

A. NOTES

forming Part of the Financial Statements

1 CORPORATE INFORMATION

The principal business activity of Apollo Tyres Limited ('the Company') is manufacturing and sale of automotive tyres. The Company started its operations in 1972 with its first manufacturing plant at Perambra in Kerala.

The Company's largest operations are in India and comprises four tyre manufacturing plants, two located in Cochin and one each at Vadodara and Chennai and various sales and marketing offices spread across the country. The Company's European subsidiaries Apollo Vredestein BV ('AVBV') and Apollo Tyres (Hungary) Kft. have a manufacturing plant in the Netherlands and Hungary respectively and has sales and marketing subsidiaries all over Europe. The Company also has sales and marketing subsidiaries in Middle East, Africa and ASEAN region.

2 RECENT ACCOUNTING PROUNCEMENTS

Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020

3 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

3.1 Statement of Compliance

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on May 19, 2020.

3.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share Based Payment, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

3.3 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a Company.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with thecorresponding balance appearing in the financial statements of the transferee.

3.4 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in progress and finished goods, cost is determined on a First In First Out basis.

3.5 Taxation

Income tax expense recognised in Standalone Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset is created by way of a credit to the Standalone Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.6 Property, plant and equipment ('PPE')

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under leases are depreciated over their expected lease term on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated 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

Leasehold land / Improvements thereon are amortized over the primary period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

The useful life considered for the intangible assets are as under:

Category of assets	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 to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Company recognises revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances.To determine when to recognise revenue and at what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer. Revenues for services are recognised when the service rendered has been completed.

3.9 Other income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Royalty income is recognised on accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.10 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other current and non-current employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss as and when the related obligations are met. Revenue grant is recognised as an income in the period in which related obligation is met.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

3.12 Foreign currency transactions and translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in which they arise except for:

a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

b. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

c. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction.

3.13 Employee share based payments

Stock appreciation rights (Phantom stock units) are granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the Statement of Profit and Loss.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

3.15 Leases

The Company as lessee

The Company's lease asset classes primarily consist of leases for Building and Plant machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

Transition

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method, on the date of initial application. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Ind AS 116 supersedes Ind AS 17 and its associated interpretative guidance. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses). Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ **6,808.48 Million**. The effect of this adoption is decrease in profit before tax by ₹ **274.13 Million** for the year ended March 31, 2020.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 8% p.a.

3.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.17 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.18 Provisions and contingencies

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

3.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.20.1 Classification of financial asset

a. Loans and receivable

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for investments that are designated as at FVTPL on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the 'Other Income' line item.

b. Assets available for sale

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI') (except for investments that are designated as at FVTPL on initial recognition):

i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

c. Assets held for trading

A financial asset is held for trading if:

i. it has been acquired principally for the purpose of selling it in the near term; or

ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established and it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d. Financial assets at fair value through profit and loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.20.2 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

3.20.3 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.20.4 Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in hedging relationship.

3.21 Financial liabilities and equity instruments

3.21.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.21.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

3.21.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

i. it has been incurred principally for the purpose of repurchasing it in the near term; or

ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

iii. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 - Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

3.21.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.21.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

i. amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

ii. amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115, Revenue from Contracts with Customers.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'Other Income' line item.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

3.21.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.22 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including options, foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.23 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Other income'/ 'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e., not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to the Statement of Profit and Loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect the Statement of Profit and Loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect the Statement of Profit and Loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in the Statement of Profit and Loss or to account for this element similar to the time value of an option. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

3.24 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management. The cash flow statement is prepared using indirect method.

3.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirements of Schedule III of the Act unless otherwise stated.

3.26 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may 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 judgements and estimates. All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared. Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

3.27 Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. On March 23, 2020, the Government of India ordered a nationwide lockdown initially for 21 days which further got extended from time to time to prevent community spread of COVID-19 in India. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statements.

B1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2020

₹ Million

	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	As on March 31, 2019	Additions	Disposals	As on March 31, 2020	As on March 31, 2019	Depreciation / amortisation expense	Eliminated on disposal of assets	As on March 31, 2020	As on March 31, 2020	As on March 31, 2019
A. Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	175.14	-	30.50	144.64	-	-	-	-	144.64	175.14
Leasehold land *	196.09	-	-	196.09	22.66	2.19	-	24.85	171.24	173.43
						(a)				
Buildings#	13,332.05	13,702.87	95.67	26,939.25	3,287.70	1,594.05	8.45	4,873.30	22,065.95	10,044.35
		(b)		(d)					(d)	
Plant and equipment ** #	75,197.72	20,017.34	252.67	94,962.39	24,758.43	3,743.15	230.81	28,270.77	66,691.62	50,439.29
		(b)								
Electrical installations	2,478.06	690.23	7.11	3,161.18	1,394.78	224.37	6.85	1,612.30	1,548.88	1,083.28
		(b)								
Furniture and fixtures	2,221.95	224.56	8.18	2,438.33	1,282.64	260.74	7.88	1,535.50	902.83	939.31
		(b)								
Vehicles	805.61	271.68	198.22	879.07	342.99	114.75	145.96	311.78	567.29	462.62
		(b)								
Office equipment	601.24	252.22	0.50	852.96	237.87	176.33	0.35	413.85	439.11	363.37
		(b)								
Total tangible assets	**95,007.86**	**35,158.90**	**592.85**	**129,573.91**	**31,327.07**	**6,115.58**	**400.30**	**37,042.35**	**92,531.56**	**63,680.79**
B. Intangible assets:										
Computer software	777.47	97.44	-	874.91	463.08	91.47	-	554.55	320.36	314.39
		(b)								
TOTAL (A + B)	**95,785.33**	**35,256.34**	**592.85**	**130,448.82**	**31,790.15**	**6,207.05**	**400.30**	**37,596.90**	**92,851.92**	**63,995.18**
		(c)								

B1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2019

₹ Million

	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	As on March 31, 2018	Additions	Disposals	As on March 31, 2019	As on March 31, 2018	Depreciation / amortisation expense	Eliminated on disposal of assets	As on March 31, 2019	As on March 31, 2019	As on March 31, 2018
A. Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	175.14	-	-	175.14	-	-	-	-	175.14	175.14
Leasehold land *	189.64	6.45	-	196.09	20.51	2.15	-	22.66	173.43	169.13
						(a)				
Buildings	12,272.11	1,061.08	1.14	13,332.05	2,892.86	394.84	(0.22)	3,287.92	10,044.13	9,379.25
		(b)		(d)					(d)	
Plant and equipment **	66,054.11	9,361.27	217.66	75,197.72	21,627.10	3,291.37	160.26	24,758.21	50,439.51	44,427.01
		(b)								
Electrical installations	2,281.87	208.06	11.87	2,478.06	1,171.92	234.73	11.87	1,394.78	1,083.28	1,109.95
		(b)								
Furniture and fixtures	1,974.11	290.51	42.67	2,221.95	1,109.43	214.00	40.79	1,282.64	939.31	864.68
		(b)								
Vehicles	670.87	204.71	69.97	805.61	282.74	102.54	42.29	342.99	462.62	388.13
		(b)								
Office equipment	378.23	224.29	1.28	601.24	98.29	140.24	0.66	237.87	363.37	279.94
		(b)								
Total tangible assets	**83,996.08**	**11,356.37**	**344.59**	**95,007.86**	**27,202.85**	**4,379.87**	**255.65**	**31,327.07**	**63,680.79**	**56,793.23**
B. Intangible assets:										
Computer software	725.08	52.39	-	777.47	379.63	83.45	-	463.08	314.39	345.45
		(b)								
TOTAL (A + B)	**84,721.16**	**11,408.76**	**344.59**	**95,785.33**	**27,582.48**	**4,463.32**	**255.65**	**31,790.15**	**63,995.18**	**57,138.68**
		(c)								

* Leasehold land is net of ₹ **5.39 Million** (₹ 5.39 Million) subleased to Classic Industries and Exports Limited, a Company in which directors are interested since the year ended 2009-10.

** Plant and equipment include jointly owned assets with gross book value of ₹ **311.28 Million** (₹ 311.28 Million) and net book value of ₹ **225.62 Million** (₹ 238.15 Million) which represents 50% ownership in the asset.

[#] Includes right of use assets w.r.t guest house, sales office, warehouse and plant & equipment taken on lease. (refer note C6)

(a) Represents proportionate lease premium ₹ **2.19 Million** (₹ 2.15 Million) amortised.

(b) Buildings include ₹ **28.03 Million** (₹ 205.06 Million), plant and equipment include ₹ 339.78 Million (₹ 253.99 Million), electrical installations include ₹ **4.55 Million** (₹ 18.95 Million), furniture and fixtures include ₹ 1.49 Million (₹ 0.07 Million), vehicles include ₹ **14.53 Million** (₹ 1.59 Million), office equipment include ₹ **0.01 Million** (Nil) and computer software include ₹ **11.78 Million** (₹ 3.14 Million) relating to research and development (refer note C15).

(c) Includes directly attributable expenses capitalised to the extent of ₹ **742.72 Million** (₹ 241.28 Million) including ₹ **185.30 Million** (Nil) capitalised from CWIP of previous year and borrowing cost capitalised to the extent of ₹ **1,549.06 Million** (₹ 519.11 Million) including ₹ **272.04 Million** (Nil) capitalised from CWIP of previous year.

(d) Buildings include buildings constructed on leasehold land with gross book value of ₹ **12,717.47 Million** (₹ 11,550.06 Million) and net book value of ₹ **9,480.86 Million** (₹ 8,709.35 Million).

(e) Carrying amount of tangible assets are pledged as security for liabilities (refer note B12 (a)).

(f) Capital work-in-progress includes land of ₹ **248.00 Million** (₹ 245.35 Million) acquired by the Company and is in the process of getting the title deeds transferred to its name.

FINANCIAL ASSETS (NON-CURRENT)

B2 INVESTMENTS

₹ Million

	Particulars	As on March 31, 2020	As on March 31, 2019
I	**At fair value through profit and loss**		
A	Quoted investments *		
	Investment in equity instruments:		
	Other companies:		
	16,394 (16,394) equity shares of ₹ 10/- each in Bharat Gears Limited - fully paid up	0.42	2.79
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
	Nil (239,000) equity shares of ₹ 0.19 each in		
	Bhadreshwar Vidyut Private Limited - fully paid up	-	0.05
	Nil (399,100) equity shares of ₹ 10 each in NSL		
	Wind Power Company (Phoolwadi) Private Limited - fully paid up	-	3.99
	2,256,000 (6,000) equity shares of ₹ 30 each in Suryadev		
	Alloys and Power Private Limited - fully paid up	67.68	0.18
	220,300 (292,000) equity shares of ₹ 11.50 each in		
	OPG Power Generation Private Limited - fully paid up	2.53	3.36
	5,000 (5,000) equity shares of ₹ 100/- each in Apollo		
	Tyres Employees' Multipurpose Co-operative Society Limited - fully paid up	0.50	0.50
		73.83	**11.20**
	Investments carried at fair value through profit and loss	**74.25**	**13.99**
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
	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	22,263.99
	Investments carried at cost	**24,020.94**	**22,311.74**
		24,095.19	**22,325.73**
* Aggregate amount of quoted investments at cost		0.36	0.36
Aggregate amount of quoted investments at market value		0.42	2.79
**Aggregate amount of unquoted investments at cost		24,094.77	22,322.94

B3 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Employee advances - salary loan	25.17	14.03
Security deposits	200.42	175.87
Security deposits to related parties (refer note C 21)	253.33	230.81
Security deposits with statutory authorities	346.87	267.28
Derivative assets measured at fair value (refer note C 11)	1,500.33	522.58
	2,326.12	**1,210.57**

B4 NON-FINANCIAL ASSETS (NON-CURRENT)

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Capital advances	2,981.79	6,008.45
Capital advances to related parties (refer note C 21)	666.12	956.30
	3,647.91	**6,964.75**
Statutory balances recoverable	2.58	2.58
Others	-	337.17
	3,650.49	**7,304.50**

CURRENT ASSETS

B5 INVENTORIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	5,610.22	7,404.73
- In transit	825.97	491.38
	6,436.19	**7,896.11**
(ii) Work-in-progress *	1,252.70	1,415.13
(iii) Finished goods		
- In hand	7,986.38	8,267.55
- In transit	52.01	594.75
	8,038.39	**8,862.30**
(iv) Stock-in-trade		
- In hand	1,094.69	1,172.51
- In transit	2.41	66.53
	1,097.10	**1,239.04**
(v) Stores and spares	1,258.13	1,102.21
	18,082.51	**20,514.79**

* Work-in-progress consists of only automotive tyres.

FINANCIAL ASSETS (CURRENT)
B6 TRADE RECEIVABLES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured)		
Outstanding for a period exceeding six months from the date they were due for payment:		
Considered good	1.41	1.91
Considered doubtful	24.40	24.40
Others - Considered Good *	4,449.42	7,793.04
	4,475.23	**7,819.35**
Provision for doubtful trade receivables	(24.40)	(24.40)
	4,450.83	**7,794.95**

* Includes balances with related parties (refer note C21)

B7 CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(i) Balances with banks:		
Current accounts	1,376.43	425.14
Other deposit accounts		
- original maturity of 3 months or less	600.00	462.41
(ii) Cheques on hand / remittances in transit	277.51	1,214.77
(iii) Cash on hand	2.32	1.48
	2,256.26	**2,103.80**

B8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Unpaid dividend accounts *	109.57	71.84
Deposits with maturity exceeding 3 months but less than 12 months	0.01	0.01
	109.58	**71.85**

* These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note B 18.

B9 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Employee advances	46.32	33.34
Derivative assets measured at fair value (refer note C 11)	53.25	124.81
Interest accrued on deposits / loans	-	124.88
Others	-	0.35
	99.57	**283.38**

NON-FINANCIAL ASSETS (CURRENT)

B10 OTHER CURRENT ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
a. Advances given to related parties (refer note C 21)	493.82	439.90
b. Trade advances- considered good	508.14	542.26
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
c. Employee advances	48.89	34.74
d. Investment promotion subsidy receivable	647.79	560.64
e. Export obligations - advance licence benefit	252.06	259.18
f. Export incentives recoverable	455.59	454.22
g. Balance with statutory authorities	1,241.36	1,860.73
h. Gratuity (refer note C 10)	199.27	44.36
i. Prepaid expenses	329.79	139.59
	4,176.71	**4,335.62**

B11 EQUITY SHARE CAPITAL

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(a) Authorised		
750,000,000 Nos. (730,000,000 Nos.) equity shares of ₹ 1 each	750.00	730.00
150,000,000 Nos. (200,000 Nos.) cumulative redeemable preference shares of ₹ 100 each	15,000.00	20.00
	15,750.00	**750.00**
(b) Issued, subscribed, called and fully paid up		
Equity shares of ₹ 1 each:		
572,049,980 Nos. (572,049,980 Nos.) equity shares	572.05	572.05
	572.05	**572.05**

(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, 2020		As on March 31, 2019	
	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million
Opening / Closing balance	**572,049,980**	**572.05**	**572,049,980**	**572.05**

(d) Details of shareholders holding more than 5% of the paid up equity share capital of the Company with voting rights *

Name of the Shareholder	As on March 31, 2020		As on March 31, 2019	
	Number of shares	% age	Number of shares	% age
Neeraj Consultants Limited	73,827,161	12.91%	73,827,161	12.91%
White IRIS Investment Ltd.	51,054,445	8.92%	-	-
HDFC Trustee Company Ltd. - A/C its various Fund	41,273,025	7.21%	33,145,291	5.79%
Apollo Finance Limited	39,778,872	6.95%	39,381,872	6.88%
Sunrays Properties and Investment Company Private Limited	36,307,648	6.35%	36,307,648	6.35%

*As per the records of the Company including its register of member.

(e) The rights, preferences and restrictions attached to equity shares of the Company

The Company has only one class of issued shares referred to as equity shares having a par value of ₹ 1 each. The holder of equity shares are entitled to one vote per share.

(f) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g) Over the period of five years immediately preceding March 31, 2020 and March 31, 2019, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

NON - CURRENT LIABILITIES

B12 BORROWINGS

₹ Million

Particulars		As on March 31, 2020		As on March 31, 2019
Measured at amortised cost				
Secured *				
(i) Debentures		10,742.62		10,740.25
(ii) Term loans				
From banks:				
External commercial borrowings (ECB)		10,913.99		9,967.35
Foreign currency non-resident term loan		1,143.80		1,693.68
Rupee term loan		9,246.85		1,995.58
(iii) Deferred payment liabilities				
Deferred payment credit I	35.98		40.44	
Deferred payment credit II	-	35.98	1.25	41.69
Total borrowings		**32,083.24**		**24,438.55**

* For details regarding repayment terms, interest rate and nature of security on non current borrowings (Note B12 (a))

B12 (A) BORROWINGS

₹ Million

	Amount outstanding as on March 31, 2020		Amount outstanding as on March 31, 2019		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	1,497.54	-	1,496.75	-	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	1,497.54	-	1,496.75	-	7.80%	Bullet payment on April 28, 2023	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2022	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,497.54	-	1,496.75	-	7.80%	Bullet payment on April 29, 2022	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2021	Refer note below
Total	**10,742.62**	**-**	**10,740.25**	**-**			
External commercial borrowings (ECB) from banks							
Bank 1 - ECB I	1,880.27	-	1,717.08	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 2 - ECB I	1,879.97	-	1,716.74	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 3 - ECB I	1,880.91	-	1,717.95	-	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 4 - ECB I	1,503.55	-	1,372.85	-	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 5 - ECB I	3,769.29	-	3,442.73	-	0-1% above USD-LIBOR	Bullet payment on March 21, 2022	Refer note below
Total	**10,913.99**	**-**	**9,967.35**	**-**			
Foreign currency non-resident (FCNR) term loan							
Bank 1 - FCNR I	279.93	186.62	512.30	-	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note below
Bank 1 - FCNR II	281.59	187.73	515.35	-	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note below
Bank 1 - FCNR III	582.28	291.14	666.03	133.20	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note below
Total	**1,143.80**	**665.49**	**1,693.68**	**133.20**			

₹ Million

	Amount outstanding as on March 31, 2020		Amount outstanding as on March 31, 2019		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 loans							
Bank 1 - Rupee Term Loan	2,964.92	-	1,495.58	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 2 - Rupee Term Loan	2,469.86	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 3 - Rupee Term Loan	1,968.75	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 4 - Rupee Term Loan	996.60	-	-	-	6 months MCLR	32 structured quarterly instalments after moratorium of 2 years from the date of first disbursement	Refer note below
Bank 5 - Rupee Term Loan	146.72	-	-	-	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note below
Bank 6 - Rupee Term Loan	200.00	-	-	-	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note below
Bank 7 - Rupee Term Loan	500.00	-	500.00	-	0-2% above one year T-bill	Bullet payment on March 29, 2022	Refer note below
Total	**9,246.85**	**-**	**1,995.58**	**-**			
Non-convertible debentures							
Deferred payment credit I	35.98	4.46	40.44	4.13	7-8%	Repayment along with interest in 240 consecutive monthly instalments started from May 15, 2007	Wind Mills purchased under the deferred consideration payment plan
Deferred payment credit II	-	1.47	1.25	1.83	8-9%	Repayment along with Interest in 20 equal quarterly instalments started from January 31, 2011	Engineering materials purchased under the Parts Management Agreement (PMA) scheme
Total	**35.98**	**5.93**	**41.69**	**5.96**			

Details of securities offered to existing lenders

Note: A pari passu first charge by way of hypothecation over the movable fixed assets (including plant and equipment) of the Company, both present and future.

B 13 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Derivative liabilities measured at fair value (refer note C 11)	26.59	15.34
Lease liability (refer note C 6)	5,292.86	-
	5,319.45	**15.34**

B14 PROVISIONS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for constructive liability (refer note C 7)	184.29	169.29
Provision for sales related obligations (refer note C 7)	319.03	329.53
	503.32	**498.82**

B15 OTHER NON CURRENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for constructive liability (refer note C 7)	184.29	169.29
Provision for sales related obligations (refer note C 7)	319.03	329.53
	503.32	**498.82**

CURRENT LIABILITIES

B16 BORROWINGS *

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
At amortised cost		
Secured **		
From banks - cash credit	0.69	123.17
- Working capital demand loan	2,330.00	900.00
Unsecured		
From banks - packing credit	-	1,901.90
- Working capital demand loan	8,850.00	-
	11,180.69	**2,925.07**

* Cash credits and working capital demand loans are repayable on demand. The interest rate on these loans are in the range of 6.00 % p.a. to 9.00 % p.a. (1.29% p.a. to 11.00 % p.a.)

** Secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts and by a second charge on the Company's land at village Kodakara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at head office in Gurgaon, Haryana together with the factory buildings, plant and machinery and equipment, both present and future.

B17 TRADE PAYABLES*

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Trade payables (other than micro and small enterprises)	10,098.26	7,826.06
Employee related payable	1,173.51	1,139.42
Payable to related parties (refer note C 21)	4,664.60	4,592.57
	15,936.37	**13,558.05**

* Incude commission on net profit payable to Key managerial personnel (KMP) ₹ **257.26 Million** (₹ 552.10 Million).

B18 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Current maturities of non current borrowings ***		
Secured		
(a) Term loan from banks:		
Foreign currency non-resident term loan	665.49	133.20
(b) Deferred payment liabilities		
Deferred payment credit I	4.46	4.13
Deferred payment credit II	1.47	1.83
	5.93	**5.96**
Interest accrued but not due on borrowings	694.58	670.80
Unclaimed dividends #	109.57	71.84
Accounts payable - capital	3,667.56	770.92
Payable to micro, small and medium Enterprises - capital (refer note C 19)	76.65	45.82
Interest payable to micro, small and medium Enterprises (refer note C 19)	10.58	10.58
Payable to related parties (refer note C 21)	316.92	395.00
Security deposits - vendors	385.23	339.72
Advances received / credit balance from customers	3,404.70	2,037.26
Derivative liabilities measured at fair value (refer note C 11)	0.44	91.52
Lease liability (refer note C 6)	844.94	-
	10,182.59	**4,572.62**

*** For nature of security on current maturity of non current borrowings (refer note B12 (a))

Includes ₹ **4.30 Million** (₹ 3.74 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.

B19 OTHER CURRENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Statutory dues payable	1,001.00	2,789.64
Others	91.90	53.24
	1,092.90	**2,842.88**

B20 PROVISIONS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for constructive liability (refer note C 7)	51.99	50.42
Provision for compensated absences (refer note C 7)	227.02	208.59
Provision for superannuation	28.02	25.00
Provision for contingencies (refer note C 7)	425.00	425.00
Provision for sales related obligations (refer note C 7)	1,069.88	950.78
	1,801.91	**1,659.79**

B21 CURRENT TAX LIABILITIES (NET)

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for taxation	21,340.96	20,314.40
Advance tax	(20,781.45)	(19,510.38)
	559.51	**804.02**

B22 OTHER OPERATING INCOME

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Investment promotion subsidy (refer note C 9(a))	87.15	235.93
Unwinding of deferred income (refer note C 9(b))	1,735.41	1,438.44
Sale of raw material scrap	396.67	532.23
Provisions/ liabilities no longer required written back	-	367.13
Others	74.08	68.09
	2,293.31	**2,641.82**

B23 OTHER INCOME

₹ Million

Particulars		As on March 31, 2020		As on March 31, 2019
(a) Interest earned on deposits				
- Bank	1.87		22.16	
- Inter corporate deposit	-		173.41	
- Others	36.14	38.01	154.32	349.89
(b) Dividend income from current investments - Fair value through profit and loss				
Mutual funds		-		50.83
(c) Others				
Profit on sale of property, plant and equipment (net)	0.32		8.30	
Gain on foreign currency transactions and translations (net)	112.41		589.78	
Gain on fair value change in investments	-		0.04	
Miscellaneous	198.24	310.97	115.86	713.98
		348.98		**1,114.70**

B24 MANUFACTURING AND OTHER EXPENSES

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost of materials consumed *		
Opening stock	7,404.73	6,424.57
Add: Purchases	58,934.99	76,818.58
Less: Closing stock	5,610.22	7,404.73
	60,729.50	**75,838.42**
Purchase of stock-in-trade:		
Purchase of finished goods - tyres, tubes and flaps	6,517.26	7,355.28
Employee benefits expense: *		
Salaries and wages	6,819.60	5,929.25
Contribution to provident and other funds (refer note C 10)	411.88	476.61
Staff welfare	1,029.69	966.56
	8,261.17	**7,372.42**
Other expenses: *		
Consumption of stores and spare parts	900.98	999.43
Power and fuel	3,469.33	4,041.37
Conversion charges	632.55	808.25
Repairs and maintenance		
- Machinery	259.54	204.14
- Buildings	8.85	42.37
- Others	1,609.00	1,372.87
Rent (refer note C 6)	22.69	633.01
Lease rent - factory	-	633.29
Insurance	292.06	119.94

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rates and taxes	64.51	67.08
Sitting fees to non-executive directors (refer note C 21)	8.05	10.25
Commission to non-executive directors (refer note C 21)	40.00	60.00
Travelling, conveyance and vehicle	1,553.87	1,253.97
Postage, telephone and stationery	98.31	105.82
Conference	173.26	108.48
Royalty (refer note C 21)	47.83	53.36
Freight and forwarding	3,923.68	4,101.72
Commission on sales	130.08	199.41
Sales promotion	537.17	824.77
Advertisement and publicity	2,513.84	1,955.52
Corporate social responsibility (refer note C 20)	183.70	213.83
Bank charges	37.51	36.74
Statutory auditors' remuneration (refer note C 14)	13.00	12.05
Legal and professional	1,074.13	940.88
Miscellaneous#	2461.25	1,996.55
	20,055.19	**20,795.10**
	95,563.12	**111,361.22**

* Includes expense towards research and development.
# Includes donation to electoral trust ₹ **300 Million** (Nil)

B25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
OPENING STOCK		
Work in progress	1,415.13	1,069.24
Finished goods	8,862.30	7,628.25
Stock-in-trade	1,239.04	204.32
	11,516.47	**8,901.81**
Less:		
CLOSING STOCK		
Work in progress	1,252.70	1,415.13
Finished goods	8,038.39	8,862.30
Stock-in-trade	1,097.10	1,239.04
	10,388.19	**11,516.47**
	1,128.28	**(2,614.66)**

B 26 FINANCE COSTS

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) **Interest expense:**		
Interest on fixed-term loans	159.91	145.70
Interest on debentures	575.22	516.59
Interest on current loans	430.04	171.87
Others *	1,048.13	525.87
(b) **Other borrowing costs**	43.66	18.52
	2,256.96	**1,378.55**

* Includes interest expense pertaining to leasing arrangements during the current year amounting to ₹ **499.75 Million**

C. OTHER NOTES

forming Part of the Financial Statements

1 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALIZED / INCLUDED IN CAPITAL WORK IN PROGRESS

₹ Million

Particulars	2019-20	2018-19
Raw material consumed	22.95	98.07
Salaries, wages and bonus	352.22	228.87
Welfare expenses	22.61	18.11
Rent	11.18	0.66
Travelling, conveyance and vehicle expenses	36.22	12.10
Postage, telephone and stationery	6.66	2.02
Power and fuel	22.77	19.44
Insurance	7.37	10.85
Legal and professional	64.80	7.67
Miscellaneous.	26.02	28.80
Total	**572.80**	**426.59**

2 Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **1,349.26 Million** (₹ 791.15 Million) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case 7.38% p.a. (7.20% p.a.).

3 INVENTORIES

i. Out of the total inventories ₹ **18,082.51 Million** (₹ 20,514.79 Million), the carrying amount of inventories carried at fair value less costs to sell amounted to ₹ **140.06 Million** (₹197.27 Million).

ii. The amount of write-down of inventories to net realizable value recognized as an expense was ₹ **124.72 Million** (₹ 92.75 Million).

iii. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **69,276.02 Million** (₹ 81,578.47 Million).

4 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 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 under New Industrial Policy 2007 of the Government of Tamil Nadu for expansion and employment generation within SIPCOT Industrial park.

vi. Capital redemption reserve

This balance has been created in accordance with provision of the Act for the buy back of equity shares from the market.

vii. Capital reserve on forfeiture of shares

This reserve was created on forfeiture of shares by the Company. The reserve is not available for the distribution to the shareholders.

viii. Retained earnings

Retained earnings are created from the profit of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

5 The Board of Directors have recommended a final dividend of **Nil** (₹ 3.25) per share amounting to **Nil** (₹ 1,859.16 Million) on Equity Shares of ₹ 1/- each for the year, subject to approval from Shareholders. Dividend distribution tax on such dividend amounts to **Nil** (₹ 382.16 Million).

6 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.

iv Lease liabilities are presented in the statement of financial position as follows:

₹ Million

Particulars	As on March 31, 2020
Non current	5,292.86
Current	844.94
Total	**6,137.80**

v Future minimum lease payments as on March 31, 2020 are as follows:

₹ Million

Particulars	As on March 31, 2020		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	1,289.84	(444.89)	844.95
1-2 years	1,102.25	(384.14)	718.11
2-3years	966.22	(330.74)	635.48
3-4 years	854.93	(283.48)	571.45
4-5 years	759.00	(240.06)	518.94
After 5 years	3,416.61	(567.74)	2,848.87
Total	**8,388.85**	**(2,251.05)**	**6,137.80**

vi Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

₹ Million

Particulars	As on March 31, 2020
Short term leases	22.69
Leases of low value assets	-
Variable lease payments	-
Total	**22.69**

vii. Reconciliation of total lease commitments as on March 31, 2019 to the lease liabilities recognised at April 01, 2019:

₹ Million

Particulars	Amount
Total operating lease commitments disclosed as on March 31, 2019	6,763.79
Recognition exemptions:	
- Leases with remaining lease term of less than 12 months	0.33
Operating lease liabilities before discounting	6,763.46
Discounted using incremental borrowing rate	2,594.77
Operating lease liabilities	**4,168.69**
Reasonably certain extension options/ other adjustments	2,304.35
Total lease liabilities recognised under Ind AS 116 at April 01, 2019	**6,473.04**

viii. Additional information on the right-of-use assets by class of assets is as follows:

₹ Million

Particulars	Carrying amount (Net block)	Depreciation expense
As on March 31, 2020		
Building	6,094.23	1,093.32
Plant & equipment	115.50	39.92
Total right-of-use assets	**6,209.73**	**1,133.24**

ix Total Cash outflow pertaining to leases during the year ended March 31, 2020 is ₹ **1,358.86 Million**.

x As on March 31, 2020 Company has committed short term leases and total commitment at that date is ₹ **7.79 Million**.

7 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
As on March 31, 2018	**304.03**	**146.70**	**197.32**	**1,602.79**	**38.55**	**790.00**
Addition during the year	25.50	22.59	208.59	-	11.87	-
Utilisation/ reversal during the year	-	-	197.32	652.01	-	365.00
As on March 31, 2019	**329.53**	**169.29**	**208.59**	**950.78**	**50.42**	**425.00**
Addition during the year	-	15.00	227.02	119.10	1.57	-
Utilisation/ reversal during the year	10.50	-	208.59	-	-	-
As on March 31, 2020	**319.03**	**184.29**	**227.02**	**1,069.88**	**51.99**	**425.00**

* Represents estimates for payments to be made in future for sales related obligations (including warranties).
** Includes post-employment benefit obligation for the employees of related party engaged at its Kalamassery plant taken on lease.

8 INCOME TAXES

i. Reconciliation between average effective tax rate and applicable tax rate

₹ Million

Particulars	2019-20		2018-19	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	5,813.85		8,063.92	
Income tax using the Company's domestic tax rate	2,031.36	34.94%	2,817.53	34.94%
Tax effect of:				
Non deductible expenses	228.52	3.93%	132.66	1.65%
Tax exempt income	(608.06)	-10.46%	(515.93)	-6.40%
Tax incentives and concessions	(924.21)	-15.90%	(182.87)	-2.27%
Others	-	0.00%	(108.56)	-1.35%
Income tax expenses recognised in the statement of profit and loss	**727.61**	**12.52%**	**2,142.83**	**26.57%**

ii. Components of deferred tax liability (net)

₹ Million

Particulars	As on March 31, 2020				As on March 31, 2019			
	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	26.62	-	-	26.62	16.86	-	9.76	26.62
Depreciation and amortisation	8,188.16	1,893.71	-	10,081.87	7,074.62	1,113.54	-	8,188.16
Others	514.28	162.20	-	676.48	264.39	249.89	-	514.28
Gross deferred tax liabilities (a)	**8,729.06**	**2,055.91**	**-**	**10,784.97**	**7,355.87**	**1,363.43**	**9.76**	**8,729.06**
Tax effect of items constituting deferred tax assets								
Employee benefits	203.72	8.65	85.75	298.12	187.76	15.96	-	203.72
Provision for doubtful debts / advances	141.89	-	-	141.89	141.89	-	-	141.89
Minimum alternate tax entitlement	2,152.77	1,026.56	-	3,179.33	1,147.95	1,004.82	-	2,152.77
Carry Forward of Losses	-	1,135.68	-	1,135.68	-	-	-	-
Others	476.08	183.97	57.21	717.26	434.91	6.34	34.83	476.08
Gross deferred tax assets (b)	**2,974.46**	**2,354.86**	**142.96**	**5,472.28**	**1,912.51**	**1,027.12**	**34.83**	**2,974.46**
Net deferred tax liability (a - b)	**5,754.60**	**(298.95)**	**(142.96)**	**5,312.69**	**5,443.36**	**336.31**	**(25.07)**	**5,754.60**

iii. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the year ended March 31, 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

iv. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the Company.

9 GOVERNMENT GRANTS

(a) Investment promotion subsidy from Government of Tamil Nadu

Pursuant to the Memorandum of Understanding (MoU) executed between the Government of Tamil Nadu (GoTN) and the Company, the Company is entitled, interalia, for refund of an amount equal to Net Output (VAT + CST) / GST paid by the Company to GoTN in the form of Investment Promotion Subsidy.

As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **87.15 Million** (₹ 235.93 Million) as other operating income, being the eligible amount of refund of Net Output (VAT + CST) / GST paid by the Company to GoTN.

(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 ₹ **2,531.28 Million** (₹ 890.91 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to ₹ **1,735.41 Million** (₹ 1,438.44 Million) where export obligations have been met, have been recognized in Statement of Profit and Loss as other operating income. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under other non current liabilities.

10 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 paid by the Company to Superannuation Fund is ₹ **103.69 Million** (₹ 89.03 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 ₹ **308.19 Million** (₹256.47 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	2019-20	2018-19
Current service cost ^	110.25	83.42
Interest cost on benefit obligation *	88.92	86.86
Actual return on plan assets*	(77.31)	(79.14)
Expense recognized in the statement of profit and loss	121.86	91.14

^ Included in employee benefit expense

* Included in finance cost

Other comprehensive income (experience adjustment)

₹ Million

Particulars	2019-20	2018-19
Actuarial (gain)/loss for the year on defined benefit obligation	230.40	(23.94)
Actuarial (gain)/loss for the year on plan asset	15.00	(4.00)
Total	**245.40**	**(27.94)**

Balance sheet:

Net asset / (liability) recognised in the balance sheet

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Fair value of plan assets at the end of the year (a)	1,696.22	1,206.66
Present value of defined benefit obligation at the end of the year (b)	1,496.95	1,162.30
Asset / (liability) recognized in the balance sheet (a - b)	**199.27**	**44.36**

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Present value of obligations as at the beginning of the year	1,162.30	1,128.09
Interest cost	88.92	86.86
Current service cost	110.25	83.42
Benefits paid	(94.92)	(112.13)
Actuarial loss/(gain) on obligation	230.40	(23.94)
Present value of obligations as at the end of the year	**1,496.95**	**1,162.30**

Changes in the fair value of plan assets

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Fair value of plan assets at beginning of the year	1,206.66	969.30
Actual return on plan assets	77.31	79.14
Contributions	522.17	266.35
Benefits paid	(94.92)	(112.13)
Actuarial (loss)/gain on plan assets	(15.00)	4.00
Fair value of plan assets as at the end of the year	**1,696.22**	**1,206.66**

The Company's gratuity funds are managed by the LIC and therefore the composition of the fund assets is not presently ascertained.

Maturity Profile of Defined Benefit Obligation

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
0 to 1 year	179.02	196.33
1 to 2 year	63.86	17.11
2 to 3 year	62.70	17.06
3 to 4 year	65.81	16.80
4 to 5 year	70.90	38.57
More than 5 years	1,054.66	876.43
Total	**1,496.95**	**1,162.30**

Principal assumptions for gratuity

	Particulars	As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
a)	Discount rate	6.88	7.65
b)	Future salary increase*	6.00	6.00
c)	Expected rate of return on plan assets	7.43	7.85
d)	Retirement age (years)	58.00	58.00
e)	Mortality table	IALM (2012-2014)	IALM (2006-2008)
f)	Ages (withdrawal rate %)		
	Up to 30 Years	3.00	3.00
	From 31 to 44 Years	2.00	2.00
	Above 44 Years	1.00	1.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Estimated amount of contribution in the immediate next year is ₹ **123.32 Million** (₹ 86.94 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, 2020	1,496.95	1,496.95	1,496.95
Impact due to increase of 0.50%	(69.34)	75.62	(9.92)
Impact due to decrease of 0.50%	75.34	(70.21)	10.67

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2019	1,162.30	1,162.30	1,162.30
Impact due to increase of 0.50%	(49.39)	54.13	11.59
Impact due to decrease of 0.50%	53.52	(50.36)	(12.98)

C. Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

	Particulars	As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
a)	Discount rate	6.88	7.65
b)	Future salary increase*	6.00	6.00
d)	Retirement age (years)	58.00	58.00
e)	Mortality table	IALM (2012-2014)	IALM (2006-2008)
f)	Ages (withdrawal rate %)		
	Up to 30 Years	3.00	3.00
	From 31 to 44 Years	2.00	2.00
	Above 44 Years	1.00	1.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

11 FINANCIAL INSTRUMENT

A. Capital risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Borrowings (refer note B12 and B16)	43,263.93	27,363.62
Current maturities of non current borrowings (refer note B18)	671.42	139.16
Sub total (a)	**43,935.35**	**27,502.78**
Equity (refer note B11)	572.05	572.05
Other equity	76,349.42	75,839.56
Sub total (b)	**76,921.47**	**76,411.61**
Capital gearing ratio ((a) / (b))	**0.57**	**0.36**

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 on March 31, 2020	Sensitivity + 1%	Sensitivity -1%	As on March 31, 2019	Sensitivity + 1%	Sensitivity -1%
USD	9,872.99	98.73	(98.73)	(15,668.88)	(156.69)	156.69
Euro	(861.13)	(8.61)	8.61	3,492.70	34.93	(34.93)
GBP	(85.32)	(0.85)	0.85	(80.38)	(0.80)	0.80
Others	203.21	2.03	(2.03)	329.14	3.29	(3.29)

ii) Interest rate risk

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

Interest on variable rate borrowings are converted at fixed rate since company has hedged interest rate risk fully and effectively with the hedging instruments.

b) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy customers.

In many cases an appropriate advance or letter of credit / bank guarantee is taken from the customers to cover the risk. In other cases credit limit is granted to customer after assessing the credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At the year end, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

c) Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

The Company has established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirement.

The below tables summarise the maturity profile of the Company's financial assets and financial liabilities

i. Non derivative financial assets

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	6,262.98	582.01	24,338.97	7,944.79	687.99	22,325.73
Fixed interest rate instruments	600.01	-	-	587.30	-	-

ii. Non derivative financial liabilities

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	24,078.38	-	-	14,979.58	-	-
Variable interest rate instruments	1,360.07	14,126.86	7,177.78	2,705.90	10,138.97	3,517.64
Lease liability	844.95	2,443.98	2,848.87	-	-	-
Fixed interest rate instruments	11,186.61	8,564.33	2,214.26	1,810.56	8,561.60	2,220.34

iii. Derivative assets / (liabilities)

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	(0.44)	(26.59)	-	(91.52)	-	-
Foreign currency forward contracts, futures and options	53.25	-	-	124.81	-	-
Gross settled:						
Cross currency interest rate swaps	-	-	-	-	(15.34)	-
Cross currency interest rate swaps	-	1,500.33	-	-	34.20	488.38
Total	**52.81**	**1,473.74**	**-**	**33.29**	**18.86**	**488.38**

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 on March 31, 2020	As on March 31, 2019	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial assets (a)			
- Foreign currency forward contracts, futures and options	53.25	124.81	2
- Cross currency interest rate swaps	1,500.33	522.58	2
Total	**1,553.58**	**647.39**	
Derivative financial liabilities (b)			
- Foreign currency forward contracts	27.03	91.52	
- Cross currency interest rate swaps	-	15.34	2
Total	**27.03**	**106.86**	**2**
Net derivate financial assets (a - b)	**1,526.55**	**540.53**	

ii. Fair value of financial assets (other than derivative instruments) carried at fair value

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
– Non current investments - quoted	0.42	2.79	1
– Non current investments - unquoted	73.83	11.20	3
Total	**74.25**	**13.99**	

iii. Fair value of financial assets / liabilities (other than investment in subsidiaries) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

* Level 1 - Quoted price in an active market.

* Level 2 - Inputs other than quoted prices included within liability Level 1 that are observable or the asset or liability, either directly or indirectly.

* Level 3 - Unobservable inputs for asset or liability.

e) Details of outstanding contracts [#]

Currency pair	Currency	Currency value (Million)	Exchange rate	Nominal value (Million)	Buy/Sell
As on March 31, 2020					
Foreign currency forward contracts					
USD / INR	US Dollar	56.80	75.58	4,292.64	Buy
USD / THB	US Dollar	6.00	32.84	197.03	Buy
USD / ZAR	US Dollar	2.25	17.89	40.26	Buy
EUR / INR	Euro	30.99	83.14	2,576.16	Buy
Futures and options					
USD / INR	US Dollar	19.00	75.58	1,436.02	Buy
Cross currency interest swaps					
USD / INR	US Dollar	168.94	75.58	12,768.39	Buy
As on March 31, 2019					
Foreign currency forward contracts					
USD / INR	US Dollar	37.26	69.16	2,576.85	Buy
USD / THB	US Dollar	6.00	31.71	190.24	Buy
USD / ZAR	US Dollar	2.25	14.48	32.57	Buy
Futures and options					
USD / INR	US Dollar	8.00	69.16	553.28	Buy
Cross currency interest swaps					
USD / INR	US Dollar	171.42	69.16	11,855.08	Buy

[#] For fair value of outstanding contracts, refer note C11 (d)(i).

f) Impact of hedging activities

(1) Disclosures of effects of hedge accounting on balance sheet:

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2020								
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Cross Currency Swaps								
USD / INR	USD 168.94	1,423.51	-	March-2022 to September-2024	1:1	69.17 to 75.24	496.04	(496.04)
Fair value hedge								
Foreign exchange risk								
(i) Foreign currency forward contracts								
EUR / INR	EUR 30.99	37.26	(26.59)	April-2020 to June-2020	1:1	82.20 to 88.90	10.67	(10.67)
USD / INR	USD 20.56	39.56	-	April-2020 to June-2020	1:1	72.25 to 75.04	39.56	(39.56)
[Carrying value of firm Commitments for capital assets is ₹ 50.22 million and is recognised in Other Non-Current liabilities as others]								

(2) Disclosure of effects of hedge accounting on statement of profit and loss

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2020				
Cash flow hedge				
Foreign exchange and interest rate risk	496.04	-	(429.43)	Finance Cost
			1,089.18	Gain on foreign currency transactions and translations
Fair value hedge				
Foreign exchange risk	-	0.63	-	Gain on foreign currency transactions and translations

(3) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as on April 01, 2019	(7.41)
Add: Changes in fair value of cross currency swaps	496.04
Less: Amount reclassified to Profit and loss	(659.75)
Less: Deferred tax relating to above (net)	57.21
Balance as on March 31, 2020	**(113.91)**

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2020								
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Cross Currency Swaps								
USD / INR	USD 171.42	522.58	15.34	March-2022 to September-2024	1:1	69.17 to 75.24	17.29	(17.29)

(4) Disclosure of effects of hedge accounting on statement of profit and loss

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, 2019				
Cash flow hedge				
Foreign exchange and interest rate risk	17.29	-	(286.83)	Finance Cost
			403.81	Gain on foreign currency transactions and translations

(5) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as on April 01, 2018	57.45
Add: Changes in fair value of cross currency swaps	17.29
Less: Amount reclassified to Profit and loss	(116.98)
Less: Deferred tax relating to above (net)	34.83
Balance as on March 31, 2019	**(7.41)**

12 (A) Turnover and stock of finished goods and stock in trade

₹ Million

Particulars	Opening Stock		Turnover		Closing Stock	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Automobile tyres, tubes and flaps	9,979.13	7,647.29	107,692.18	120,131.25	9,023.32	9,979.13
Others	122.21	185.28	634.79	764.58	112.17	122.21
Total	**10,101.34**	**7,832.57**	**108,326.97**	**120,895.83**	**9,135.49**	**10,101.34**

(B) Raw materials consumed

₹ Million

Particulars	2019-20	2018-19
Fabric	6,657.00	10,163.66
Rubber	28,769.82	37,205.99
Chemicals	6,991.80	9,558.48
Carbon black	9,430.13	12,210.30
Others	8,880.75	6,699.99
Total	**60,729.50**	**75,838.42**

(C) Break-up of consumption

Particulars	2019-20		2018-19	
	%	₹ Million	%	₹ Million
Raw material - Imported	37.00%	22,471.34	43.31%	32,842.32
- Indigenous	63.00%	38,258.16	56.69%	42,996.10
	100.00%	**60,729.50**	**100.00%**	**75,838.42**
Stores and spares - Imported	7.11%	64.10	8.07%	80.61
- Indigenous	92.89%	836.88	91.93%	918.82
	100.00%	**900.98**	**100.00%**	**999.43**

(D) C.I.F. value of imports

₹ Million

Particulars	2019-20	2018-19
Raw material	21,266.05	33,401.43
Stores and spares	111.41	106.95
Capital goods	13,351.81	1,719.55

(E) Expenditure in foreign currency (remitted)

(Excluding value of imports)

₹ Million

Particulars	2019-20	2018-19
Interest	831.08	595.68
Dividend for the year 2018-19 (2017-18)*	-	5.93
Royalty	53.23	41.17
Others (including cross-charge of research and development expenses and management expenses paid to foreign subsidiary companies)	3,700.94	3,522.70

* Number of non-resident shareholders – 1 (1), Number of shares held by non resident shareholders - 1,977,000 (1,977,000) and current year dividend is paid in INR.

13 EARNINGS IN FOREIGN EXCHANGE (GROSS)

₹ Million

Particulars	2019-20	2018-19
FOB value of exports	11,169.91	10,689.95
Interest received	-	121.14
Royalty received	62.90	60.78
Cross charge of management expenses	161.02	84.91
Reimbursement of expenses received	516.29	601.27

14 STATUTORY AUDITORS' REMUNERATION

₹ Million

Particulars	2019-20	2018-19
For audits and quarterly reviews	9.50	8.50
For taxation matters	-	0.37
For other services	3.50	3.18
Total	**13.00**	**12.05**

15 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ Million

Particulars	2019-20	2018-19
(A) Revenue expenditure		
Materials	3.10	1.53
Employee benefits expense	392.76	313.66
Travelling, conveyance and vehicle expense	110.57	108.21
Others	1,047.59	1,287.46
Total	**1,554.02**	**1,710.86**
(B) Capital expenditure	**400.17**	**482.80**
Total (A + B)	**1,954.19**	**2,193.66**

16 CONTINGENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Sales tax	417.30	174.97
Income tax #	708.90	784.80
Claims against the Company not acknowledged as debts – employee related	166.31	158.93
– others	29.30	30.60
Excise duty and service tax *	626.23	581.62

Excludes amount of ₹ **1,039.46 Million** (₹ 442.43 Million) in appeals which have been decided by Appellate authorities in the Company's favour but on which the department has gone for further appeal and a demand of ₹ **Nil** (₹ 671.71 Million) relating to the adjustments made in MAT computation, which in the opinion of the Company, is not sustainable and the probability of cash outflow is considered remote.

* Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

17 CAPITAL AND OTHER COMMITMENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
A Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	19,115.04	39,958.30
B Other commitments		
Corporate guarantee given* (refer note C 25)	5,985.86	3,290.41

* The company has provided corporate guarantee on behalf of its wholly owned subsidiary Apollo Tyres Cooperatief U.A..

18 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.

19 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	247.45	174.37
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.58	10.58
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	10.58	10.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	10.58	10.58

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

20 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	2019-20	2018-19
i) Gross amount required to be spent by the Company during the year	183.70	213.83
ii) Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	183.70	213.83
Total	**183.70**	**213.83**

21 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 - RELATED PARTY DISCLOSURES

Name of the Related Parties

Particulars	2019-20	2018-19
Subsidiaries	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands
	N.A.	Apollo Tyres (Cyprus) Private Limited (ATCPL), Cyprus (note (a))
	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)	Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS)
	Apollo Tyres (UK) Pvt. Ltd. (Subsidiary through AT Coop)	Apollo Tyres (UK) Pvt. Ltd., United Kingdom (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., Netherlands (Subsidiary through AT Coop)
	Apollo Tyres (Germany) GmbH (Subsidiary through AT Coop)	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)

Particulars	2019-20	2018-19
	Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATBV)	Apollo Tyres do (Brasil) LTDA, Brazil (Subsidiary through AT Coop and ATBV)
	Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through AT Coop)	Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through AT Coop)
	Apollo Tyres (Hungary) Kft (Subsidiary through ATBV)	Apollo Tyres (Hungary) Kft (Subsidiary through ATBV)
	N.A.	Reifencom GmbH, Bielefeld (now Reifencom GmbH, Hannover) (Subsidiary through AT Coop) (note (d))
	Reifencom GmbH, Hannover (Subsidiary through AT Coop)	Reifencom GmbH, Hannover (Subsidiary through Reifencom GmbH, Bielefeld) (note (d))
	N.A.	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover (note (d))
	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover)	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover) (note (e))
	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)
	N.A.	Retail Distribution Holding B.V. (Subsidiary through AT Coop) (note (a))
	Rubber Research LLC (Subsidiary through AT Coop) (Note f)	Rubber Research LLC (Subsidiary through AT Coop)
	ATL Singapore Pte Limited	ATL Singapore Pte Limited
	Apollo Vredestein Tires Inc., USA (Subsidiary through AT Coop)	Apollo Vredestein Tires Inc., USA (Subsidiary through AT Coop)
	Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV)	Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV)
	Subsidiaries of Apollo Vredestein B.V (AVBV):	**Subsidiaries of Apollo Vredestein B.V (AVBV):**
	Apollo Vredestein GmbH, Germany	Apollo Vredestein GmbH, Germany
	N.A.	Vredestein Marketing B.V. & Co. KG, Germany (Subsidiary through Apollo Vredestein GmbH) (note (c))
	Apollo Vredestein Nordic A.B., Sweden	Apollo Vredestein Nordic A.B., Sweden
	Apollo Vredestein U.K. Limited, United Kingdom	Apollo Vredestein U.K. Limited, United Kingdom
	Apollo Vredestein SAS, France	Apollo Vredestein SAS, France
	Apollo Vredestein Belux, Belgium	Apollo Vredestein Belux, Belgium
	Apollo Vredestein Gesellschaft m.b.H., Austria	Apollo Vredestein Gesellschaft m.b.H., Austria
	Apollo Vredestein Schweiz AG, Switzerland	Apollo Vredestein Schweiz AG, Switzerland
	Apollo Vredestein Srl, Italy (note (a))	Apollo Vredestein Srl, Italy
	Apollo Vredestein Iberica SA, Spain	Apollo Vredestein Iberica SA, Spain
	Apollo Vredestein Kft, Hungary	Apollo Vredestein Kft, Hungary
	S.C. Vredesetin R.O. Srl, Romania (Subsidiary through Apollo Vredestein Kft, Hungary)	S.C. Vredesetin R.O. Srl, Romania (Subsidiary through Apollo Vredestein Kft, Hungary)
	Apollo Vredestein Opony Polska Sp. Zo.o., Poland	Apollo Vredestein Opony Polska Sp. Zo.o., Poland
	Vredestein Consulting B.V.,Netherlands	Vredestein Consulting B.V.,Netherlands
	Finlo B.V. Netherlands	Finlo B.V. Netherlands
	Vredestein Marketing B.V., Netherlands	Vredestein Marketing B.V., Netherlands
Associates	Pressurerite (Pty) Limited, South Africa (note (b))	Pressurerite (Pty) Limited, South Africa
	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
Joint venture	PanAridus LLC, USA (JV through ATHS)	PanAridus LLC, USA (JV through ATHS)
The Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International Trading LLC, Middle East	Apollo International Trading LLC, Middle East
	Apollo International FZC	Apollo International FZC
	Landmark Farms & Housing Pvt. Ltd.	Landmark Farms & Housing Pvt. Ltd.
	SunLife Tradelinks (P) Ltd.	SunLife Tradelinks (P) Ltd.
	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	Classic Auto Tubes Ltd.
	PTL Enterprises Ltd.	PTL Enterprises Ltd.
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Shardul Amarchand Mangaldas & Co.	Shardul Amarchand Mangaldas & Co.
	Regent Properties	Regent Properties
	Milers Global Pvt. Ltd.	Milers Global Pvt. Ltd.

Particulars	2019-20	2018-19
Key management personnel	Mr. Onkar S. Kanwar	Mr. Onkar S. Kanwar
	Mr. Neeraj Kanwar	Mr. Neeraj Kanwar
	Mr. Satish Sharma **	N.A.
	Mr. Akshay Chudasama	Mr. Akshay Chudasama
	N.A.	Mr. A.K. Purwar
	Gen. Bikram Singh (Retd.)	Gen. Bikram Singh (Retd.)
	Mr. Francesco Gori	Mr. Francesco Gori
	Mr. Nimesh N. Kampani*	Mr. Nimesh N. Kampani
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	Dr. S. Narayan*	Dr. S. Narayan
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Ms. Anjali Bansal	Ms. Anjali Bansal
	N.A.	Dr. M Beena

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) Liquidated during the previous year

(b) Apollo (South Africa) Holdings (Pty) Ltd has executed a sale of shares agreement with Tacoma Foods (Pty) Ltd to sell its entire stake in Pressurerite (Pty) Limited effective from May 31, 2019. Pressurerite (Pty) Limited was not an associate of Apollo (South Africa) Holdings (Pty) Ltd as on March 31, 2020.

(c) Merged with Apollo Vredestein GmbH.

(d) During the previous year, Reifencom GmbH, Hannover (RCH), a wholly owned step down subsidiary was merged into its parent company, Reifencom GmbH, Bielefeld (RCB) with effect from August 16, 2018. Pursuant to the merger, the name of RCB was changed to Reifencom GmbH, Hannover. Also Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover (equally owned by RCH and RCB) was merged with RCB.

(e) Subsequent to the merger as per (d) above, Reifencom Tyre (Qingdao) Co., Ltd. became a wholly owned subsidiary of Reifencom GmbH, Hannover (formerly Reifencom GmbH, Bielefeld).

(f) Liquidated during the year

* Ceased to be director during the year

** Appointed during the year

Transactions and balances with Related Parties:

FY 2019-20

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Description of Transactions:					
Sales: Finished Goods					
Apollo Vredestein B.V.	1,921.74				1,921.74
Apollo Tyres Middle East Fze.	2,832.00				2,832.00
Apollo Tyres Thailand Ltd.	1,698.01				1,698.01
Apollo Tyres Africa (Pty) Ltd	814.21				814.21
Apollo Tyres (Malaysia) Sdn Bhd	335.42				335.42
Apollo Tyres (Hungary) Kft	19.17				19.17
Apollo International FZC		660.04			660.04
Apollo International Ltd.		13.39			13.39
Apollo Tyres Global R&D B.V	3.45				3.45
Apollo International Trading LLC, Middle East		2.94			2.94
Apollo Vredestein Tires Inc.	0.04				0.04
	7,624.04	**676.37**			**8,300.41**
Sales: Raw Materials					
Classic Industries and Exports Ltd.		390.72			390.72
Sales: Semi Finished Goods					
Apollo Vredestein B.V.	1.90				1.90

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Investments Made:					
Apollo Tyres Co-Operatief U.A	1,709.20				1,709.20
Royalty Income:					
Apollo Tyres Middle East Fze.	17.34				17.34
Apollo Tyres Thailand Ltd.	13.50				13.50
Apollo Tyres Africa (Pty) Ltd	31.49				31.49
Apollo Tyres (Malaysia) Sdn Bhd	0.57				0.57
	62.90				**62.90**
Cross Charge of Management & Other Expenses Received #:					
Apollo Vredestein B.V.	75.23				75.23
Apollo Tyres Middle East Fze.	2.44				2.44
Apollo Tyres Global R & D B.V.	3.23				3.23
Apollo Tyres (UK) Pvt. Ltd.	2.40				2.40
Apollo Tyres Thailand Ltd.	2.82				2.82
PTL Enterprises Ltd.		0.85			0.85
Classic Industries and Exports Ltd.		1.69			1.69
Apollo Tyres Africa (Pty) Ltd	2.11				2.11
Apollo Tyres (Hungary) Kft	28.09				28.09
Apollo Tyres Holdings (Singapore) Pte Ltd.	43.79				43.79
Apollo Tyres (Malaysia) Sdn Bhd	0.91				0.91
	161.02	**2.54**			**163.56**
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 Vredestein B.V.	106.93				106.93
Apollo Tyres Middle East Fze.	2.58				2.58
Apollo Tyres Global R & D B.V.	14.82				14.82
Apollo Tyres Thailand Ltd.	3.42				3.42
Apollo Tyres (UK) Pvt. Ltd.	15.31				15.31
Classic Industries and Exports Ltd.	-	10.04			10.04
Apollo Tyres Africa (Pty) Ltd	1.94				1.94
Apollo Tyres (Hungary) Kft	138.82				138.82
Apollo Tyres Holdings (Singapore) Pte Ltd.	137.92				137.92
Apollo Tyres AG, Switzerland	90.52				90.52
Apollo Tyres (Malaysia) Sdn Bhd	2.27				2.27
Reifencom GmbH	0.65				0.65
Apollo Vredestein Tires Inc.	1.11				1.11
	516.29	**10.04**			**526.33**
Freight & Insurance recovered:					
Apollo International Ltd. FZC		0.04			0.04
Apollo Tyres Middle East Fze.	69.22				69.22
Apollo Tyres Thailand Ltd.	14.33				14.33
Apollo Tyres Africa (Pty) Ltd	30.46				30.46
Apollo Vredestein B.V.	71.48				71.48
Apollo Tyres Global R&D B.V	2.80				2.80
Apollo Tyres (Hungary) Kft	0.76				0.76
Apollo Tyres (Malaysia) Sdn Bhd	1.69				1.69
Apollo Vredestein Tires Inc.	0.13				0.13
	190.87	**0.04**			**190.91**

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Royalty Paid:					
Apollo Tyres AG, Switzerland	47.83				47.83
Purchase of raw material					
Apollo Tyres Holdings (Singapore) Pte Ltd.	22,939.51				22,939.51
Purchase of stock in trade:					
Classic Industries and Exports Ltd.		3,171.61			3,171.61
Apollo Vredestein B.V.	120.44				120.44
	120.44	**3,171.61**			**3,292.05**
Purchase of asset:					
Classic Industries and Exports Ltd.		1,326.08			1,326.08
Artemis Medicare Services Ltd.		59.63			59.63
Apollo Vredestein B.V.	39.76				39.76
Apollo Tyres (Hungary) Kft	53.41				53.41
	93.17	**1,385.71**			**1,478.88**
Legal and Professional Charges Paid:					
Shardul Amarchand Mangaldas & Co		3.00			3.00
Reimbursement of Expenses paid:					
PTL Enterprises Ltd.		645.64			645.64
Classic Industries and Exports Ltd.		7.80			7.80
Apollo Vredestein B.V.	28.15				28.15
Apollo Tyres Thailand Ltd.	95.69				95.69
Apollo Tyres Middle East Fze.	51.86				51.86
Apollo Tyres (UK) Pvt. Ltd.	12.89				12.89
Apollo Tyres Global R & D B.V.	78.67				78.67
Apollo Tyres Africa (Pty) Ltd	11.38				11.38
Apollo Tyres Holdings (Singapore) Pte Ltd.	0.16				0.16
Apollo Tyres (Malaysia) Sdn Bhd	25.06				25.06
Apollo Tyres (Hungary) Kft	22.88				22.88
Apollo Vredestein Tires Inc.	0.34				0.34
	327.08	**653.44**			**980.52**
Payment for Services Received:					
Artemis Medicare Services Ltd.		20.78			20.78
Classic Industries and Exports Ltd.		9.91			9.91
		30.69			**30.69**
Cross Charge of R & D Expenses paid:					
Apollo Tyres Global R & D B.V.	654.40				654.40
Cross Charge of Other Expenses paid:					
Apollo Tyres (UK) Pvt. Ltd.	806.99				806.99
Apollo Tyres Holdings (Singapore) Pte Ltd.	211.40				211.40
	1,018.39				**1,018.39**
Lease Rent paid:					
PTL Enterprises Ltd.		600.00			600.00
Rent Paid:					
Sunlife Tradelinks (P) Ltd.		30.99			30.99
Regent Properties		23.76			23.76
Classic Industries and Exports Ltd.		0.12			0.12
		54.87			**54.87**
Mixing Charges Paid:					
Classic Industries and Exports Ltd.		143.44			143.44
Commssion on Sales paid					
Apollo Tyres Thailand Ltd.	58.95				58.95
Apollo Tyres Middle East Fze.	19.24				19.24
	78.19				**78.19**

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Gaurantee Commission Received					
Apollo Tyres Co-Operatief U.A	8.94				8.94
Corporate guarantee given					
Apollo Tyres Co-operatief U.A	2,695.45				2,695.45
Managerial Remuneration:					
Mr. Onkar S. Kanwar				232.55	232.55
Mr. Neeraj Kanwar				203.48	203.48
Mr. Satish Sharma				58.14	58.14
				494.17	**494.17**
Sitting fees:					
Non-executive directors				8.05	8.05
Commission:					
Non-executive directors				40.00	40.00
Amount Outstanding as on March 31, 2020					
Trade Payable:					
Apollo Tyres AG, Switzerland	7.27				7.27
Apollo Vredestein B.V.	63.89				63.89
Apollo Tyres (UK) Pvt. Ltd.	165.67				165.67
Apollo Tyres Global R&D	254.59				254.59
Apollo Tyres Middle East Fze.	100.64				100.64
Classic Industries and Exports Ltd.	-	415.63			415.63
Apollo Tyres (Thailand) Ltd.	167.64				167.64
Apollo Tyres Africa (Pty) Ltd	4.41				4.41
Artemis Medicare Services Ltd.	-	4.90			4.90
Apollo Tyres Holdings (Singapore) Pte Ltd.	3,425.50				3,425.50
Apollo Tyres (Malaysia) Sdn Bhd	6.29				6.29
Apollo Tyres (Hungary) Kft	48.17				48.17
	4,244.07	**420.53**			**4,664.60**
Other Current Liabilities (financial):					
Apollo Vredestein B.V.	38.35				38.35
Apollo International Ltd.		0.52			0.52
Classic Industries and Exports Ltd.		190.85			190.85
Apollo Vredestein Tires Inc.	0.07				0.07
Apollo Tyres Global R&D B.V	1.13				1.13
Apollo International FZC		56.23			56.23
Apollo Tyres (Hungary) Kft	29.77				29.77
	69.32	**247.60**			**316.92**
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.		666.12			666.12
Trade Receivable:					
Apollo Vredestein B.V.	327.43				327.43
Apollo Tyres Africa (Pty) Ltd	211.36				211.36
Apollo Tyres Middle East Fze.	176.26				176.26
Apollo Tyres (Hungary) Kft	21.36				21.36
Apollo Tyres (Thailand) Ltd.	123.96				123.96
Apollo Tyres Global R & D B.V.	0.86				0.86

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres (Malaysia) Sdn Bhd	82.28				82.28
Apollo Vredestein Tires Inc.	0.17				0.17
	943.68				**943.68**
Other current assets					
Apollo Tyres Africa (Pty) Ltd	46.07				46.07
Apollo Vredestein B.V.	58.72				58.72
Apollo Tyres Thailand Ltd.	72.25				72.25
PTL Enterprises Ltd.		65.79			65.79
Apollo International Ltd		3.02			3.02
Classic Industries and Exports Ltd.		90.04			90.04
Apollo Tyres (Hungary) Kft	46.92				46.92
Apollo Tyres Middle East Fze.	29.68				29.68
Apollo Tyres Co-Operatief U.A	11.88				11.88
Apollo Tyres (UK) Pvt. Ltd.	6.66				6.66
Apollo Tyres Global R&D B.V	35.24				35.24
Apollo Vredestein Tires Inc.	2.08				2.08
Apollo Tyres Holdings (Singapore) Pte Ltd.	21.87				21.87
Apollo Tyres (Malaysia) Sdn Bhd	0.99				0.99
Reifencom GmbH	2.61				2.61
	334.98	**158.85**			**493.82**

Transactions and balances with Related Parties:

FY 2018-19

Description of Transactions:					
Sales: Finished Goods					
Apollo Vredestein B.V.	2,414.72				2,414.72
Apollo Tyres (Middle East) FZE	2,044.59				2,044.59
Apollo Tyres (Thailand) Limited	1,878.56				1,878.56
Apollo Tyres Africa (Pty) Ltd.	789.04				789.04
Apollo International Ltd.		631.97			631.97
Apollo Tyres (Malaysia) SDN. BHD	368.11				368.11
Apollo International Trading LLC, Middle East		39.53			39.53
Apollo International FZC		24.63			24.63
Apollo Tyres Global R&D B.V.	2.98				2.98
	7,498.00	**696.13**			**8,194.13**
Sales: Raw Materials					
Classic Auto Tubes Ltd.		1,200.93			1,200.93
Apollo Tyres (Hungary) Kft	12.74				12.74
	12.74	**1,200.93**			**1,213.67**
Sales: Semi Finished Goods					
Apollo Vredestein B.V.	36.61				36.61
Royalty Income:					
Apollo Tyres (Middle East) FZE	15.83				15.83
Apollo Tyres (Thailand) Limited	15.58				15.58
Apollo Tyres Africa (Pty) Ltd.	28.45				28.45
Apollo Tyres (Malaysia) SDN. BHD	0.92				0.92
	60.78				**60.78**
Cross Charge of Management & Other Expenses Received #:					
Apollo Tyres Holdings (Singapore) Pte. Ltd.	29.98				29.98
Apollo Vredestein B.V.	28.46				28.46
Apollo Tyres (Hungary) Kft	13.15				13.15
Apollo Tyres Global R&D B.V.	3.09				3.09
Apollo Tyres (Thailand) Limited	2.98				2.98

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres (UK) Pvt. Ltd.	2.30				2.30
Apollo Tyres (Middle East) FZE	2.20				2.20
Apollo Tyres Africa (Pty) Ltd.	1.91				1.91
Classic Auto Tubes Ltd.		1.69			1.69
PTL Enterprises Ltd.		0.85			0.85
Apollo Tyres (Malaysia) SDN. BHD	0.84				0.84
Artemis Medicare Services Ltd.		0.60			0.60
	84.91	**3.14**			**88.05**
Rent Received:					
Classic Auto Tubes Ltd.		1.06			1.06
PTL Enterprises Ltd.		0.37			0.37
		1.43			**1.43**
Interest income:					
Apollo Tyres Cooperatief U.A.	115.88				115.88
Apollo Tyres (Greenfield) B.V.	5.26				5.26
	121.14				**121.14**
Reimbursement of Expenses Received:					
Apollo Tyres (Hungary) Kft	263.97				263.97
Apollo Vredestein B.V.	154.70				154.70
Apollo Tyres AG, Switzerland	120.62				120.62
Apollo Tyres Global R&D B.V.	31.52				31.52
Apollo Tyres (UK) Pvt. Ltd.	12.99				12.99
Classic Auto Tubes Ltd.		12.40			12.40
Apollo Tyres (Thailand) Limited	5.75				5.75
Apollo Tyres Holdings (Singapore) Pte. Ltd.	5.07				5.07
Reifencom GmbH	2.11				2.11
Apollo Tyres Africa (Pty) Ltd.	1.96				1.96
Apollo Tyres (Middle East) FZE	1.41				1.41
Apollo Tyres (Malaysia) SDN. BHD	0.94				0.94
PTL Enterprises Ltd.		0.82			0.82
Apollo Vredestein Tires Inc.	0.23				0.23
	601.27	**13.22**			**614.49**
Freight and insurance recovered:					
Apollo Vredestein B.V.	94.12				94.12
Apollo Tyres (Middle East) FZE	33.23				33.23
Apollo Tyres Africa (Pty) Ltd.	27.78				27.78
Apollo Tyres (Thailand) Limited	15.08				15.08
Apollo Tyres Global R&D B.V	4.06				4.06
Apollo Tyres (Malaysia) SDN. BHD	1.75				1.75
	176.02				**176.02**
Guarantee commission received					
Apollo Tyres Co-Operatief U.A	2.75				2.75
Royalty Paid:					
Apollo Tyres AG, Switzerland	53.36				53.36
Purchase of raw material / bought out					
Apollo Tyres Holdings (Singapore) Pte. Ltd.	33,264.95				33,264.95
Classic Auto Tubes Ltd.		3,268.10			3,268.10
Apollo Vredestein B.V.	158.34				158.34
Apollo Tyres (Hungary) Kft	60.72				60.72
	33,484.01	**3,268.10**			**36,752.11**
Legal and professional charges paid:					
Shardul Amarchand Mangaldas & Co		8.81			8.81

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Reimbursement of expenses paid:					
PTL Enterprises Ltd.		691.93			691.93
Apollo Tyres (Thailand) Limited	77.39				77.39
Apollo Tyres (Hungary) Kft	61.57				61.57
Apollo Tyres Global R&D B.V	35.32				35.32
Apollo Tyres (Middle East) FZE	34.73				34.73
Apollo Tyres (Malaysia) SDN. BHD	27.13				27.13
Apollo Tyres Africa (Pty) Ltd.	9.71				9.71
Apollo Vredestein Tires Inc.	7.70				7.70
Apollo Vredestein B.V.	7.39				7.39
Classic Auto Tubes Ltd.		6.84			6.84
Apollo Tyres (UK) Pvt. Ltd.	1.60				1.60
Reifencom GmbH	0.80				0.80
Milers Global Pvt. Ltd.		0.43			0.43
	263.34	**699.20**			**962.54**
Payment for services received:					
Artemis Medicare Services Ltd.		21.32			21.32
Cross Charge of R & D expenses paid:					
Apollo Tyres Global R&D B.V	788.48				788.48
Cross charge of other expenses paid:					
Apollo Tyres (UK) Pvt. Ltd.	705.97				705.97
Apollo Tyres Holdings (Singapore) Pte. Ltd.	204.38				204.38
	910.35				**910.35**
Lease rent paid:					
PTL Enterprises Ltd.		600.00			600.00
Rent paid:					
Sunlife Tradelinks (P) Ltd.		27.62			27.62
Land Mark Farms & Housing (P) Ltd.		19.80			19.80
Regent Properties		23.76			23.76
Classic Auto Tubes Ltd.		0.12			0.12
Milers Global Pvt. Ltd.		2.25			2.25
		73.55			**73.55**
Conversion charges paid:					
Classic Auto Tubes Ltd.		273.18			273.18
Mixing charges Paid:					
Classic Auto Tubes Ltd.		294.13			294.13
Commission on Sales paid					
Apollo Tyres (Thailand) Limited	66.11				66.11
Apollo Tyres (Middle East) FZE	84.51				84.51
	150.62				**150.62**
Refund of Security Deposits Given:					
Land Mark Farms & Housing		6.00			6.00
Milers Global Pvt. Ltd.		0.75			0.75
		6.75			**6.75**
Purchase of assets					
Classic Auto Tubes Ltd.		775.53			775.53
Artemis Medicare Services Ltd.		43.78			43.78
		819.31			**819.31**
Sale of assets					
Apollo Tyres (Hungary) Kft	41.08				41.08
Loan given					
Apollo Tyres Cooperatief U.A	1,490.69				1,490.69

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Refund of loan given					
Apollo Tyres Co-Operatief U.A *	6,230.90				6,230.90
Apollo Tyres (Greenfield) B.V.	830.72				830.72
	7,061.62				**7,061.62**
Investments Made:					
Apollo Tyres Co-Operatief U.A *	6,081.65				6,081.65
KT Telematic Solutions Private Ltd.			22.51		22.51
	6,081.65		**22.51**		**6,104.16**
Liquidation Proceeds Received					
Apollo Tyres (Cyprus) Pvt Ltd.	178.13				178.13
Corporate guarantee given					
Apollo Tyres Co-operatief U.A	3,290.41				3,290.41
Managerial remuneration:					
Mr. Onkar S. Kanwar				402.51	402.51
Mr. Neeraj Kanwar				352.23	352.23
				754.74	**754.74**
Sitting fees:					
Non-executive directors				10.25	10.25
Commission:					
Non-executive directors				60.00	60.00
Amount Outstanding as on March 31, 2020					
Other Non current financial assets**:					
PTL Enterprises Ltd.		600.00			600.00
Sunlife Tradelinks (P) Ltd.		5.86			5.86
Regent Properties		5.40			5.40
		611.26			**611.26**
Other Non current assets:					
Classic Auto Tubes Ltd.		956.30			956.30
Trade Receivable:					
Apollo Vredestein B.V.	812.25				812.25
Apollo Tyres (Thailand) Limited	280.78				280.78
Apollo Tyres (Middle East) FZE	181.04				181.04
Apollo Tyres Africa (Pty) Ltd.	175.11				175.11
Apollo Tyres Global R&D B.V.	2.89				2.89
Apollo Tyres (Malaysia) SDN. BHD	13.21				13.21
	1,465.28				**1,465.28**
Other current assets (financial / non financial):					
Apollo Tyres (Hungary) Kft	130.66				130.66
Apollo Tyres Cooperatief U.A	124.75				124.75
Classic Auto Tubes Ltd.		97.24			97.24
PTL Enterprises Ltd.		42.51			42.51
Apollo Tyres (Thailand) Limited	46.90				46.90
Apollo Tyres Africa (Pty) Ltd.	46.68				46.68
Apollo Vredestein B.V.	42.57				42.57
Apollo Tyres Global R&D B.V	14.23				14.23
Apollo Tyres Holdings (Singapore) Pte Ltd.	7.76				7.76
Apollo Tyres (Middle East) FZE	5.28				5.28
Apollo Tyres (UK) Pvt. Ltd.	2.19				2.19
Reifencom GmbH	1.81				1.81
Artemis Medicare Services Ltd.		0.71			0.71

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Associate	Key Management Personnel	Total
Apollo International Ltd		0.67			0.67
Apollo Tyres (Malaysia) SDN. BHD	0.45				0.45
Apollo Vredestein Tires Inc.	0.24				0.24
	423.52	**141.13**			**564.65**
Trade Payable:					
Apollo Tyres Holdings (Singapore) Pte. Ltd.	3,544.90				3,544.90
Classic Auto Tubes Ltd.		411.66			411.66
Apollo Tyres (Thailand) Limited	192.41				192.41
Apollo Tyres Global R&D B.V.	123.21				123.21
Apollo Tyres (UK) Pvt. Ltd.	115.22				115.22
Apollo Tyres (Hungary) Kft	90.99				90.99
Apollo Tyres (Middle East) FZE	58.92				58.92
Apollo Tyres (Malaysia) SDN. BHD	13.50				13.50
Apollo Tyres AG, Switzerland	13.36				13.36
Apollo Vredestein B.V.	12.30				12.30
Apollo Tyres Africa (Pty) Ltd.	9.29				9.29
Apollo Vredestein Tires Inc.	6.58				6.58
	4,180.68	**411.66**			**4,592.34**
Other Current Liabilities (Financial):					
Classic Auto Tubes Ltd.		349.39			349.39
Apollo International FZC		35.36			35.36
Apollo International Trading LLC		8.73			8.73
Apollo Tyres Global R&D B.V.	0.93				0.93
Apollo International Ltd.		0.52			0.52
Apollo Vredestein Tires Inc.	0.07				0.07
	1.00	**394.00**			**395.00**

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.

* Refund of loan given to Apollo Tyres Co-Operatief U.A includes ₹ **6,081.65 Million** converted to investments during the previous year.

**This represents undiscounted value.

22 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			
2019-20			
Apollo Tyres Cooperatief U.A	-	-	23,973.19
Apollo Tyres (Green Field) B.V.	-	-	2.74
2018-19			
Apollo Tyres Cooperatief U.A	-	5,907.91	22,263.99
Apollo Tyres (Green Field) B.V.	-	917.75	2.74
Associates			
2019-20			
KT Telematic Solutions Private Limited	-	-	45.01
2018-19			
KT Telematic Solutions Private Limited	-	-	45.01

23 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.

24 EVENTS AFTER THE BALANCE SHEET DATE

During the current year, the Company has entered into an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS through its Extraordinary General Meeting held on March 23, 2020. Subsequent to year end, the Company has allotted 54,000,000 CCPS (Tranche 1) and the balance 54,000,000 CCPS (Tranche 2) will be issued on or before October 07, 2020.

25 INFORMATION ON DETAILS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT READ WITH COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014

i) Details of investments made are given in note B2.*

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	2019-20	2018-19
Apollo Tyres Cooperatief U.A	5,985.86	3,290.41
Total	**5,985.86**	**3,290.41**

* All transactions are in the ordinary course of business

26 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Effective April 01, 2017, the Company adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure are presented below:

₹ Million

Particulars	As on April 01, 2019	Cash flows	Non cash changes				As on March 31, 2020
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	24,577.71	7,151.90	1,079.98	-	-	(54.93)	32,754.66
Current borrowings	2,925.07	8,255.62	-	-	-	-	11,180.69
Lease liability	6,473.04	(1,358.54)	-	499.75	594.00	(70.45)	6,137.80

₹ Million

Particulars	As on April 01, 2018	Cash flows	Non cash changes				As on March 31, 2019
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	18,975.21	5,181.44	411.02	-	-	10.04	24,577.71
Current borrowings	6,474.24	(3,549.17)	-	-	-	-	2,925.07

* Foreign exchange movement is covered by derivative instrument.

27 Effective April 01, 2018. the Company has adopted Ind AS 115 " Revenue from Contracts with Customers" using the cumulative effect. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the financial statements of the Company.

The Company's revenue disaggregated by geographical markets is as follows:

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	97,157.06	110,205.88
Rest of the world	11,169.91	10,689.95
Total	**108,326.97**	**120,895.83**

Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price (as invoiced)	112,604.58	124,363.68
Reduction towards variable consideration components	(4,277.61)	(3,467.85)
Revenue from contract with customers	**108,326.97**	**120,895.83**

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

28 During the previous year, the Company held unsecured, short term intercorporate deposit of ₹ 2,000 million with IL&FS Financial Services Ltd ("IL&FS"). The said deposit was due for maturity on October 22, 2018, however, IL&FS defaulted on its repayment. The interest accrued and due on this investment of ₹ 80.33 Million till October 22, 2018 was not recorded. As a result of increased credit risk in relation to outstanding balances from IL&FS and the uncertainty prevailing due to the proceedings pending with the NCLT, the entire amount of ₹ 2,000 million was written off and disclosed as an exceptional item in the financial statements.

29 EARNINGS PER SHARE (EPS) – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE

₹ Million

Particulars	2019-20	2018-19
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	5,086.24	5,921.09
The weighted average number of equity shares outstanding during the year used as denominator - (B)	572,049,980	572,049,980
Basic and diluted earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	8.89	10.35

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Apollo Tyres Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of Apollo Tyres Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint venture, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note A3.30 of the consolidated financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Group, its joint venture and associates as at the balance sheet date. The impact of these uncertainties on the Group's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit procedures addressed the key audit matter
A. Recoverability of goodwill, trademarks and other intangibles having indefinite useful life ('intangibles') pertaining to acquisition of Reifencom GmbH, Hannover ('Reifencom') As detailed in Note C3 to the consolidated financial statement, the Group carries goodwill amounting to ₹ 2,134.49 million and intangibles amounting to ₹ 1,455.59 million (pertaining to Reifencom) in its consolidated balance sheet as at March 31, 2020. These goodwill and intangibles were recorded on the acquisition of Reifencom GmbH, Germany, a multi-channel distributor for tyres and allied services, which has been determined as a cash generating unit ('CGU') by the management. In terms with Indian Accounting Standard 36, Goodwill and indefinite lived assets are tested for impairment annually at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU. The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the CGU using	Our audit procedures included: a) Obtained an understanding from the management with respect to process and controls followed by the Group to perform annual impairment test related to goodwill and intangibles; b) Obtained the impairment analysis model from the management and reviewed their conclusions; c) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these projections; d) We compared the cash flow projections to the business plans prepared by the management; e) We assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;

Key audit matter	How our audit procedures addressed the key audit matter
discounted cash flow model ('Model'), which involves estimates pertaining to expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. These estimates require high degree of management judgement resulting in inherent subjectivity. The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31 March, 2020. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such goodwill and intangibles arising from the business combination as a key audit matter for the current year audit.	f) Engaged our valuation specialists to assess the appropriateness of the significant assumptions used in the Model, which included comparing the underlying parameters of the discount and long term growth rates used with the publicly available information; g) Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; and h) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.
B. Recoverability of trademarks (other than those considered in A above) As at 31 March 2020, the Group carries these trademarks amounting to ₹ 1,072.13 million in its consolidated balance sheet. These trademarks were recorded on the acquisition of Apollo Vredestein B.V. ('AVBV') in the Netherlands. The trademarks are tested for impairment annually at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU. The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the CGU using discounted cash flow model ('Model'), which involves estimates pertaining to expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. These estimates require high degree of management judgement resulting in inherent subjectivity. As explained in note C3, the management has concluded that the recoverable amount of the CGU is higher than its carrying amount.	The following key audit matter to the audit opinion on the financial statements of Apollo Tyres B.V, a subsidiary of the Holding Company has been reported by an independent firm of Chartered Accountants in response to the group audit instructions and reproduced by us as under: a) Obtained the Model from the management and reviewed their conclusions; b) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these projections; c) Assessed the appropriateness of the significant assumptions used in the Model, which included comparing the underlying parameters of the discount and long term growth rates used with the publicly available information; d) Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; and e) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.
C. Provision for sales related obligations As at 31 March 2020, the Holding Company carries sales related obligations amounting to ₹ 1,388.91 million which is included in note C10. Such provision is recognised based on past trends, frequency, expected cost of obligations, management estimates regarding possible future incidences and appropriate discount rates for non-current portion of the obligations. These estimates require high degree of management judgement with respect to the underlying assumptions, thus giving rise to inherent subjectivity in determining the amounts to be recorded in the consolidated financial statements. Considering the materiality of the above matter to the consolidated financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.	Our audit procedures included, but were not limited to the following: a) Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of recognition, measurement and completeness of the sales related obligations; b) Tested the management's computation of sales related obligations by evaluating the reasonability of the key assumptions, reviewing the contractual terms, comparing the assumptions to historical data and analysing the expected costs of incidences; c) Traced the inputs used in the computations, to the relevant accounting records, including discussions with the relevant management personnel and tested the arithmetical accuracy of the computation; d) Compared the amounts recognized as provision in the past years with the corresponding settlements and assessed whether the aggregate provisions recognized as at the current year-end were sufficient to cover expected costs in light of known and expected incidences; e) Performed sensitivity analysis on the management's computation by evaluating the impact of change on the obligation by changing certain key assumptions such as discount rates used; and f) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.

Key audit matter	How our audit procedures addressed the key audit matter
D. Litigations and claims: provisions and contingent liabilities As included under Note C17 [contingent liability note] and Note C10 [Provision for contingencies note] to the consolidated financial statements, the Group is involved in direct and indirect tax litigations ('litigations') amounting to ₹ 3,411.57 million that are pending with various tax authorities. Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Group. Determining the amount, if any, to be recognised or disclosed in the consolidated financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year	Our procedures included, but were not limited to, the following: a) Obtained an understanding from the management with respect to process and controls followed by the Group for identification and monitoring of significant developments in relation to the litigations, including completeness thereof; b) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts; c) Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved; d) Assessed management's conclusions through discussions held with their in house tax experts and understanding precedents in similar cases; e) Obtained and evaluated the independent confirmations from the consultants representing the Group before the various authorities; f) Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Group, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and g) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors.

   The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the respective companies included in the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the parent Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the respective Companies included in the Group and of its associates and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its associate covered under the Act have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

16. We did not audit the financial statements of 28 subsidiaries, whose financial statements reflects total assets of ₹ 92,107.71 million and net assets of ₹ 45,885.68 million as at 31 March 2020, total revenues of ₹ 87,267.45 million and net cash inflows amounting to ₹ 1,156.90 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.01 million for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate are based solely on the reports of the other auditors.

    Further, all subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company covered under the Act paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since such company is not a public company as defined under section 2(71) of the Act.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company covered under the Act, none of the directors of the Holding Company and its associate company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture as detailed in Note C17 to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company other than ₹ 4.30 million (31 March 2019: ₹ 3.74 million) pertaining to amount of dividend which has not been transferred as per the orders/ instructions under the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992. There was no amount which was required to be transferred to the Investor Education and Protection Fund by an associate company covered under the Act; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

David Jones
Partner
Membership No.: 98113
UDIN: 20098113AAAAAG6081

Place: Gurgaon
Date: 19 May 2020

ANNEXURE I

LIST OF ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Sno.	Name of the holding Company
1	Apollo Tyres Limited
	Name of subsidiaries
1	Apollo Tyres Cooperatief U.A
2	Apollo (South Africa) Holdings (Pty) Ltd.
3	Apollo Tyres Africa (Pty) Ltd.
4	Apollo Tyres (Thailand) Limited
5	Apollo Tyres (Middle East) FZE
6	Apollo Tyres Holdings (Singapore) Pte. Ltd.
7	Apollo Tyres (Malaysia) SDN. BHD
8	Apollo Tyres (UK) Pvt. Ltd.
9	Apollo Tyres (London) Pvt. Ltd.
10	Apollo Tyres Global R&D B.V.
11	Apollo Tyres (Germany) GmbH
12	Apollo Tyres AG
13	Apollo Tyres do (Brasil) LTDA
14	Apollo Tyres B.V
15	Apollo Tyres (Hungary) Kft
16	Apollo Vredestein B.V.
17	Apollo Vredestein GmbH
18	Apollo Vredestein Nordic A.B.
19	Apollo Vredestein UK Limited
20	Apollo Vredestein SAS
21	Apollo Vredestein Belux
22	Apollo Vredestein Gesellschaft m.b.H.
23	Apollo Vredestein Schweiz AG
24	Apollo Vredestein Iberica SA
25	Apollo Vredestein Tires Inc.
26	Apollo Vredestein Kft
27	S.C. Vredestein R.O. Srl (liquidated w.e.f 14 November 2019)
28	Apollo Vredestein Opony Polska Sp. Zo.o
29	Vredestein Consulting B.V.
30	Finlo B.V.
31	Vredestein Marketing B.V.
32	Reifencom GmbH, Hannover
33	Reifencom Tyre (Qingdao) Co., Ltd.
34	Saturn F1 Pvt. Ltd
35	Rubber Research LLC (liquidated w.e.f 25 July 2019)
36	ATL Singapore Pte Limited
37	Apollo Tyres (Greenfield) B.V.
	Name of the associates
1	KT Telematic Solutions Private Limited
2	Pressurerite (Pty) Ltd. (stake sold on 31 May 2019)
	Name of the joint venture
1	Pan Aridus LLC

ANNEXURE II

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the consolidated financial statements of Apollo Tyres Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its associate company, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its associate company, which are companies covered under the Act, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its associate company as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the associate company, the Holding Company and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 MATTER

9. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.01 million for the year ended 31 March 2020, in respect of one associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such associate company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such associate company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

David Jones
Partner
Membership No.: 98113
UDIN: 20098113AAAAAG6081

Place: Gurgaon
Date: 19 May 2020

CONSOLIDATED BALANCE SHEET

as on March 31, 2020

₹ Million

Particulars		Notes	As on March 31, 2020	As on March 31, 2019
A.	**ASSETS**			
1.	**Non-current assets**			
(a)	Property, plant and equipment	B1	144,956.73	108,838.86
(b)	Capital work-in-progress		16,218.98	15,257.93
(c)	Goodwill	C3	2,134.49	1,993.25
(d)	Other intangible assets	B1	7,392.78	6,708.07
(e)	Intangible assets under development		200.84	135.08
(f)	Financial assets			
	i. Investment in associates / joint venture	B2	46.17	46.18
	ii. Other investments	B3	148.00	13.99
	iii. Other financial assets	B4	2,431.40	1,311.62
(g)	Deferred tax assets (net)	C11	445.02	525.08
(h)	Other non-current assets	B5	3,710.68	8,318.04
	Total non-current assets		**177,685.09**	**143,148.10**
2.	**Current assets**			
(a)	Inventories	B6	32,069.16	34,840.86
(b)	Financial assets			
	i. Trade receivables	B7	9,398.76	13,143.56
	ii. Cash and cash equivalents	B8	7,386.41	5,554.66
	iii. Bank balances other than (ii) above	B9	109.58	71.85
	iv. Other financial assets	B10	435.23	427.59
(c)	Other current assets	B11	5,415.64	4,847.35
	Total current assets		**54,814.78**	**58,885.87**
	TOTAL ASSETS (1+2)		**232,499.87**	**202,033.97**
B.	**EQUITY AND LIABILITIES**			
1.	**Equity**			
(a)	Equity share capital	B12	572.05	572.05
(b)	Other equity		98,728.09	99,826.14
	Total equity		**99,300.14**	**100,398.19**
	Liabilities			
2.	**Non-current liabilities**			
(a)	Financial liabilities			
	i. Borrowings	B13	51,478.84	41,663.26
	ii. Other financial liabilities	B14	8,249.02	15.34
(b)	Provisions	B15	1,677.13	1,470.57
(c)	Deferred tax liabilities (net)	C11	7,476.89	8,231.85
(d)	Other non-current liabilities	B16	7,183.54	6,510.56
	Total non-current liabilities		**76,065.42**	**57,891.58**
3.	**Current liabilities**			
(a)	Financial liabilities			
	i. Borrowings	B17	14,320.01	5,546.72
	ii. Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	C19	170.80	128.55
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	B18	22,919.68	20,536.27
	iii. Other financial liabilities	B19	13,603.20	9,840.60
(b)	Other current liabilities	B20	2,663.29	4,226.21
(c)	Provisions	B21	2,744.10	2,517.21
(d)	Current tax liabilities (net)	B22	713.23	948.64
	Total current liabilities		**57,134.31**	**43,744.20**
	TOTAL EQUITY AND LIABILITIES (1+2+3)		**232,499.87**	**202,033.97**

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

₹ Million

Particulars		Notes	Year ended March 31, 2020	Year ended March 31, 2019
1.	**REVENUE FROM OPERATIONS**			
	Sales		160,964.91	172,733.92
	Other operating income	B23	2,305.04	2,754.51
			163,269.95	**175,488.43**
2.	**OTHER INCOME**	B24	468.76	1,231.23
3.	**TOTAL INCOME (1 +2)**		**163,738.71**	**176,719.66**
4.	**EXPENSES**			
(a)	Cost of materials consumed	B25	70,498.26	86,260.87
(b)	Purchase of stock-in-trade	B25	18,341.14	19,825.58
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress		1,916.51	(4,703.86)
(d)	Employee benefits expense	B25	24,821.99	24,295.82
(e)	Finance costs	B26	2,808.33	1,810.70
(f)	Depreciation and amortisation expense	B1	11,381.18	8,126.71
(g)	Other expenses	B25	28,536.92	30,223.71
	Total expenses		**158,304.33**	**165,839.53**
5.	**PROFIT BEFORE SHARE OF PROFIT / (LOSS) IN ASSOCIATES / JOINT VENTURE, EXCEPTIONAL ITEMS AND TAX (3 - 4)**		5,434.38	10,880.13
6.	Share of profit / (loss) in associates / joint venture		(0.01)	1.16
7.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (5 + 6)**		5,434.37	10,881.29
8.	Exceptional items	C8	-	2,000.00
9.	**PROFIT BEFORE TAX (7 - 8)**		**5,434.37**	**8,881.29**
10.	**TAX EXPENSE**			
(a)	Current tax		1,274.05	1,871.09
(b)	Deferred tax		(603.63)	211.80
	Total tax expense	C11	**670.42**	**2,082.89**
11.	**NET PROFIT FOR THE YEAR (9 - 10)**		**4,763.95**	**6,798.40**
12.	**OTHER COMPREHENSIVE INCOME**			
I	i. Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans		(423.27)	104.53
	ii. Income tax		137.41	(33.00)
			(285.86)	**71.53**
II	i. Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		(1,159.41)	(2,104.69)
	(b) Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge		(163.71)	(99.69)
	ii. Income tax		57.21	34.83
			(1,265.91)	**(2,169.55)**
	Other comprehensive income / (loss) (I + II)		**(1,551.77)**	**(2,098.02)**
	Total comprehensive income for the year (11 + 12)		**3,212.18**	**4,700.38**
	Earnings per equity share of ₹ 1 each	C30		
	(a) Basic (₹)		8.33	11.88
	(b) Diluted (₹)		8.33	11.88

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

OTHER EQUITY

₹ Million

Particulars	Reserves and surplus (refer note C6)									Items of other comprehensive income			Total
	Securities premium	General reserve	Capital reserve on consolidation	Capital reserve on AMHPL merger	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 on April 01, 2018	**20,866.72**	**13,006.63**	**2,664.95**	**1,383.68**	**629.31**	**25.50**	**44.40**	**0.07**	**58,776.42**	**57.45**	**31.22**	**(291.68)**	**97,194.67**
Profit for the year									6,798.40				6,798.40
Other Comprehensive income (OCI) for the year										(99.69)		(2,104.69)	(2,204.38)
Income tax on OCI items										34.83			34.83
Remeasurement of defined benefit plans									104.53				104.53
Income tax on remeasurement of defined benefit plans									(33.00)				(33.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,869.93**	**(64.86)**	**-**	**(2,104.69)**	**4,700.38**
Transaction with owners in their capacity as owners													
Payment of dividend (₹ 3 per share)									(1,716.15)				(1,716.15)
Tax on dividend									(352.76)				(352.76)
Transfer from retained earnings		1,000.00			410.19				(1,410.19)				-
Balance as on March 31, 2019	**20,866.72**	**14,006.63**	**2,664.95**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**62,167.25**	**(7.41)**	**31.22**	**(2,396.37)**	**99,826.14**
Profit for the year									4,763.95				4,763.95
Other Comprehensive income (OCI) for the year										(163.71)		(1,159.41)	(1,323.12)
Income tax on OCI items										57.21			57.21
Remeasurement of defined benefit plans									(423.27)				(423.27)
Income tax on remeasurement of defined benefit plans									137.41				137.41
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,478.09**	**(106.50)**	**-**	**(1,159.41)**	**3,212.18**
Transaction with owners in their capacity as owners													
Payment of dividend (₹ 3.25 per share)									(1,859.16)				(1,859.16)
Payment of interim dividend (₹ 3.00 per share)									(1,716.15)				(1,716.15)
Tax there on (dividend and interim dividend)									(734.92)				(734.92)
Transfer from retained earnings		1,000.00							(1,000.00)				-
Balance as on March 31, 2020	**20,866.72**	**15,006.63**	**2,664.95**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**61,335.11**	**(113.91)**	**31.22**	**(3,555.78)**	**98,728.09**

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2020

₹ Million

	Particulars		Year ended March 31, 2020		Year ended March 31, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES				
(i)	Net profit before tax		5,434.37		8,881.29
	Adjustments for				
	Depreciation and amortisation expense	11,381.18		8,126.71	
	(Profit) on sale of property, plant and equipment (net)	(19.67)		(15.98)	
	Dividend from non-current and current investments	(2.67)		(50.83)	
	Change in fair value of investments	-		(0.04)	
	Provision for doubtful debts / advances	76.83		52.08	
	Provisions / liabilities no longer required written back	(11.73)		(479.82)	
	Finance cost	2,808.33		1810.70	
	Interest income	(55.82)		(234.16)	
	Provision for estimated loss on derivatives	(43.96)		(91.28)	
	Unwinding of deferred income	(1,735.41)		(1,438.44)	
	Unwinding of state aid subsidy	(166.58)		(130.37)	
	Inter corporate deposits written off	-		2,000.00	
	Share of (profit) in associates / joint venture	0.01		(1.16)	
	Unrealized loss / (gain) on foreign exchange fluctuations	437.45	**12,667.96**	(85.66)	**9,461.75**
(ii)	**Operating profit before working capital changes**		**18,102.33**		**18,343.04**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets				
	Inventories	3,799.98		(5,793.49)	
	Trade receivables	3,984.24		2,292.33	
	Other financial assets (current and non-current)	(123.60)		80.47	
	Other assets (current and non-current)	(507.36)	7,153.26	160.60	(3,260.09)
	Adjustments for increase / (decrease) in operating liabilities				
	Trade payables	1,383.46		(1,489.75)	
	Other financial liabilities (current and non-current)	1,193.10		(58.83)	
	Other liabilities (current and non-current)	(1,608.50)		(142.40)	
	Provisions (current and non-current)	(125.42)	**842.64**	(481.43)	**(2,172.41)**
(iii)	**Cash generated from operations**		**26,098.23**		**12,910.54**
	Direct taxes paid (net of refund)		(924.63)		(2,199.38)
	Net cash generated from operating activities		**25,173.60**		**10,711.16**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment	(28,361.19)		(22,931.69)	
	Proceeds from sale of property, plant and equipment	306.11		192.15	
	Proceeds from / (investments in) mutual funds	-		3,640.48	
	Proceeds from / (investment in) inter corporate deposits, net	-		7,750.00	
	Non-current investment made	(134.01)		(24.46)	
	Dividends received (current and non-current investments)	2.67		50.83	
	State aid subsidy received	171.80		856.77	
	Interest received	55.96		506.67	
	Net cash used in investing activities		**(27,958.66)**		**(9,959.25)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2020 (Contd.)

₹ Million

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from non-current borrowings	23,537.11		8,836.59	
	Repayment of non-current borrowings	(18,141.07)		(2,026.85)	
	Proceeds from / (Repayment of) current borrowings (net)	8,466.93		(3,544.32)	
	Payment of dividend (including dividend tax)	(4,310.23)		(2,068.91)	
	Payment of lease liabilities	(2,595.62)		-	
	Finance charges paid	(2,232.44)		(1,818.60)	
	Net cash generated from / (used in) financing activities		**4,724.68**		**(622.09)**
D	EFFECT OF FOREIGN CURRENCY FLUCTUATION ARISING OUT OF CONSOLIDATION		(214.51)		(313.93)
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		**1,725.11**		**(184.11)**
	Cash and cash equivalents as at the beginning of the year		5,554.66		5,931.17
	Less: Cash credits / bank overdrafts as at the beginning of the year		941.60		1,123.63
			4,613.06		**4,807.54**
	(Gain) / loss on reinstatement of foreign currency cash and cash equivalents		8.98		(1.39)
	Adjusted cash and cash equivalents as at the beginning of the year		**4,622.04**		**4,806.15**
	Cash and cash equivalents as at the end of the year		7,386.41		5,554.66
	Less: Cash credits / bank overdrafts as at the end of the year		1,059.70		941.60
			6,326.71		**4,613.06**
	(Gain) / loss on reinstatement of foreign currency cash and cash equivalents		20.44		8.98
	Adjusted cash and cash equivalents as at the end of the year		**6,347.15**		**4,622.04**

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

David Jones
Partner
Membership No. 98113

A. NOTES

forming Part of the Consolidated Financial Statements

1. GROUP CORPORATE INFORMATION

The Apollo Tyres Group consists of Apollo Tyres Limited (the 'Company'), the ultimate holding company with several foreign subsidiaries, associates and a joint venture (together referred to as the 'Group'). Established in 1972, the Group is in the business of manufacturing and sale of tyres. The Group has its headquarter in Gurgaon, India and operations spread all across the Globe.

The product portfolio of the Group consists of tyres of passenger car, sports utility vehicle, multi utility vehicle, light truck, truck–bus, agriculture, industrial, specialty, bicycle and off highway tyres, retreading material and tyres, alloy wheels and two-wheeler tyres.

2. RECENT ACCOUNTING PROUNCEMENTS

Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

3. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared to comply in all material respects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The consolidated financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The consolidated financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on May 19, 2020.

3.2 Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payment, lease transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

3.3 Basis of consolidation

The consolidated financial statements includes the financial statements of the Company, its subsidiaries and the entities controlled by the Group as at March 31, 2020. Control is achieved when the Group:

- has power over the investee;
- has the ability to use its power to affect its return; and
- is exposed, or has rights, to variable returns from its involvement with the investee

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair values at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the business combination.

(iv) The identity of the reserves has been preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

3.5 Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Groups investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 *Financial Instruments*. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.6 Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in progress and finished goods, cost is determined on a First In First Out basis.

3.7 Taxation

Income tax expense recognised in consolidated statement of profit and loss comprises of the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of the country in which the respective entities in the group are incorporated. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset is created by way of a credit to the consolidated statement of profit and loss. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with the Ind AS 23 *Borrowing Costs*. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated average useful life considered for the assets are as under.

Category of assets	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

Leasehold land / Improvements thereon are amortised over the primary period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

3.9 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The estimated average useful life considered for the major intangible assets are as under:

Category of assets	Number of years
Computer Software	3-6
Capitalised development	6

a) Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit and loss when the asset is derecognised.

b) Research and development expenses

Internally generated intangible assets - Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in consolidated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Development costs of products are also charged to the consolidated statement of profit and loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

c) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.10 Revenue recognition

In accordance with Ind AS 115, the Group recognizes the amount as revenue from contracts with customers, which is received for the transfer of promised goods to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Group recognizes revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. To determine when to recognize revenue and at what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer.

Revenues for services are recognised when the service rendered has been completed.

3.11 Other income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.12 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, social security cost and other pension costs incurred by the group.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other short-term and long-term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.13 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to consolidated statement of profit and loss as and when the related obligations are met. Revenue grant is recognised as an income in the period in which related obligation is met.

Export incentives earned in the year of exports are treated as income and netted off from cost of raw material imported.

3.14 Foreign currency transaction and translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit and loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is made or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction. The interpretation is mandatory for financial years beginning on or after April 1, 2018. Its adoption did not have any significant impact on the Group's consolidated financial statements.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation) are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to consolidated statement of profit and loss.

In addition, in relation to a partial disposal of subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to the non-controlling interests and are not recognised in the consolidated statement of profit and loss. For all other partial disposals (i.e partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to consolidated statement of profit and loss.

Goodwill and fair value adjustments to the identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.15 Employee share based payments

Stock appreciation rights (Phantom stock units) are granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in consolidated statement of profit and loss.

3.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

3.17 Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings, plant & machinery & vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company & subsidiary entities uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the consolidated balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

Transition

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method, on the date of initial application. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Ind AS 116 supersedes Ind AS 17 and its associated interpretative guidance. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses). Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ **11,302.22 Million**. The effect of this adoption is decrease in profit before tax by ₹ **331.32 Million** for the year ended March 31, 2020.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 ranges from 1% to 10% p.a.

3.18 Earnings per share

Basic earnings per share is computed by dividing the consolidated profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.19 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.20 Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the group's obligation.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

3.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.22.1 Classification of financial asset

a. Loans and receivable

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for investments that are designated as at fair value through profit or loss (FVTPL) on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the 'Other Income' line item.

b. Assets available for sale

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for investments that are designated as at FVTPL on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

c. Assets held for trading

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit and loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d. Financial assets at fair value through profit or loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss is included in the other income line item. Dividend on financial assets at FVTPL is recognised when the group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.22.2 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

3.22.3 De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.22.4 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss except for those which are designated as hedging instruments in hedging relationship.

3.23 Financial liabilities and equity instruments

3.23.1 Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.23.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below:

3.23.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 *Financial Instruments* permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109 *Financial Instruments*.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss.

3.23.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the finance costs line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.23.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115 *Revenue from Contracts with Customers*.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the Other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit and loss.

3.23.3.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit and loss.

3.24 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.25 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the consolidated statement of profit and loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit and loss, and is included in the 'Other income'/'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to consolidated statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Group has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e., not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to consolidated statement of profit and loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Group makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated statement of profit and loss.

3.26 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash –generating units (or groups of cash-generating units). A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.27 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Groups's cash management. The cash flow statement is prepared using indirect method.

3.28 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest millions as per the requirements of Schedule III of the Act unless otherwise stated.

3.29 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgments and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and income and expense items for the period under review. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the consolidated financial statements represent as accurately an outlook as possible for the group. These judgments and estimates only represent interpretation of the Group as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

3.30 Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. On March 23, 2020, the Government of India ordered a nationwide lockdown initially for 21 days which further got extended from time to time to prevent community spread of COVID-19 in India

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of these financial statements.

B 1 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS ON MARCH 31, 2020

₹ Million

Description of assets	Gross Block					Accumulated Depreciation / Amortisation					Net Block	
	As on March 31, 2019	Additions (c)	Disposals/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2020	As on March 31, 2019	Depreciation / amortisation expense	Eliminated on disposal of assets/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2020	As on March 31, 2020	As on March 31, 2019
A. Property, plant and equipment - owned unless otherwise stated												
Land:												
Freehold land	2,574.73	6.64	30.50	91.53	2,642.40	-	-	-	-	-	2,642.40	2,574.73
Leasehold land *	196.09	-	-	-	196.09	22.66	2.19	-	-	24.85	171.24	173.43
							(a)					
Buildings #	27,105.68	18,192.08	95.67	317.45	45,519.54	6,158.30	2,888.79	8.67	195.39	9,233.81	36,285.73	20,947.38
		(b)			(d)						(d)	
Plant and equipment **#	137,469.85	25,700.99	534.48	2,231.98	164,868.34	58,060.79	6,368.37	339.90	2,241.17	66,330.43	98,537.91	79,409.06
		(b)										
Electrical installations	4,771.83	1,419.31	7.11	(57.70)	6,126.33	1,492.92	337.83	6.85	(7.71)	1,816.19	4,310.14	3,278.91
		(b)										
Furniture and fixtures	3,353.27	284.17	27.26	83.26	3,693.44	1,983.20	342.76	15.98	47.22	2,357.20	1,336.24	1,370.07
		(b)										
Vehicles #	1,152.09	841.39	212.42	59.31	1,840.37	647.10	312.90	157.19	31.75	834.56	1,005.81	504.99
		(b)										
Office equipment #	1,377.12	312.10	4.08	57.70	1,742.84	796.83	239.73	3.74	42.76	1,075.58	667.26	580.29
		(b)										
Total tangible assets	**178,000.66**	**46,756.68**	**911.52**	**2,783.53**	**226,629.35**	**69,161.80**	**10,492.57**	**532.33**	**2,550.58**	**81,672.62**	**144,956.73**	**108,838.86**
B. Other intangible assets												
Computer software	3,931.86	156.55	-	167.03	4,255.44	2,882.24	415.79	-	150.83	3,448.86	806.58	1,049.62
		(b)										
Trademarks	2,083.03	0.55	-	150.31	2,233.89	44.41	0.32	-	1.89	46.62	2,187.27	2,038.62
Capitalised development	6,330.10	967.94	-	501.61	7,799.65	3,033.66	472.50	-	240.87	3,747.03	4,052.62	3,296.44
		(b)										
Other intangibles	335.83	-	-	23.79	359.62	12.44	-	-	0.87	13.31	346.31	323.39
Total other intangible assets	**12,680.82**	**1,125.04**	**-**	**842.74**	**14,648.60**	**5,972.75**	**888.61**	**-**	**394.46**	**7,255.82**	**7,392.78**	**6,708.07**
Total (A + B)	**190,681.48**	**47,881.72**	**911.52**	**3,626.27**	**241,277.95**	**75,134.55**	**11,381.18**	**532.33**	**2,945.04**	**88,928.44**	**152,349.51**	**115,546.93**

B 1 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS AS ON MARCH 31, 2019

₹ Million

Description of assets	Gross Block					Accumulated Depreciation / Amortisation					Net Block	
	As on March 31, 2018	Additions (c)	Disposals/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2019	As on March 31, 2018	Depreciation / amortisation expense	Eliminated on disposal of assets/ Adjustments	Effect of foreign currency translation (e)	As on March 31, 2019	As on March 31, 2019	As on March 31, 2018
A. Property, plant and equipment - owned unless otherwise stated												
Land:												
Freehold land	2,609.12	46.28	-	(80.67)	2,574.73	-	-	-	-	-	2,574.73	2,609.12
Leasehold land*	189.64	6.45	-	-	196.09	20.51	2.15 (a)	-	-	22.66	173.43	169.13
Buildings	24,181.49	3,585.84 (b)	0.94	(660.71)	27,105.68 (d)	5,547.85	720.99	11.76	(98.78)	6,158.30	20,947.38 (d)	18,633.64
Plant and equipment**	123,598.28	17,797.86 (b)	1,363.86	(2,562.43)	137,469.85	55,044.05	5,616.24	1,434.88	(1,164.62)	58,060.79	79,409.06	68,554.23
Electrical installations	4,076.50	836.39 (b)	11.87	(129.19)	4,771.83	1,196.12	313.31	11.94	(4.57)	1,492.92	3,278.91	2,880.38
Furniture and fixtures	3,068.91	403.40 (b)	88.85	(30.19)	3,353.27	1,780.66	294.95	71.48	(20.93)	1,983.20	1,370.07	1,288.25
Vehicles	1,027.06	214.38 (b)	79.22	(10.13)	1,152.09	592.57	115.40	51.46	(9.41)	647.10	504.99	434.49
Office equipment	1,432.69	291.38 (b)	318.58	(28.37)	1,377.12	715.09	205.34	105.63	(17.97)	796.83	580.29	717.60
Total tangible assets	**160,183.69**	**23,181.98**	**1,863.32**	**(3,501.69)**	**178,000.66**	**64,896.85**	**7,268.38**	**1,687.15**	**(1,316.28)**	**69,161.80**	**108,838.86**	**95,286.84**
B. Other intangible assets												
Computer software	3,888.82	178.44 (b)	1.99	(133.41)	3,931.86	2,580.82	408.17	1.99	(104.76)	2,882.24	1,049.62	1,308.00
Trademarks	2,151.26	0.97	-	(69.20)	2,083.03	45.04	0.24	-	(0.87)	44.41	2,038.62	2,106.22
Capitalised development	5,624.80	927.26 (b)	-	(221.96)	6,330.10	2,703.01	436.98	-	(106.33)	3,033.66	3,296.44	2,921.79
Other intangibles	347.19	-	-	(11.36)	335.83	-	12.94	-	(0.50)	12.44	323.39	347.19
Total other intangible assets	**12,012.07**	**1,106.67**	**1.99**	**(435.93)**	**12,680.82**	**5,328.87**	**858.33**	**1.99**	**(212.46)**	**5,972.75**	**6,708.07**	**6,683.20**
Total (A + B)	**172,195.76**	**24,288.65**	**1,865.31**	**(3,937.62)**	**190,681.48**	**70,225.72**	**8,126.71**	**1,689.14**	**(1,528.74)**	**75,134.55**	**115,546.93**	**101,970.04**

* Leasehold land is net of ₹ **5.39 Million** (₹ 5.39 Million) subleased to Classic Industries and Exports Limited, a Company in which directors are interested since the year ended 2009-10.

** Plant and equipment include jointly owned assets with gross book value of ₹ **311.28 Million** (₹ 311.28 Million) and net book value of ₹ **225.62 Million** (₹ 238.15 Million) which represents 50% ownership in the asset.

includes right of use assets w.r.t. guest house, sales office, warehouse, vehicle, plant & equipment and office equipment taken on lease (refer note C9).

(a) Represents proportionate lease premium ₹ **2.19 Million** (₹ 2.15 Million) amortised.

(b) Buildings include ₹ **28.03 Million** (₹ 205.06 Million), plant and equipment include ₹ **339.78 Million** (₹ 253.99 Million), electrical installations include ₹ **4.55 Million** (₹ 18.95 Million), furniture and fixture include ₹ **1.49 Million** (₹ 0.07 Million), vehicles include ₹ **14.53 Million** (₹ 1.59 Million), office equipment include ₹ **0.01 Million** (Nil), computer software include ₹ **11.78 Million** (₹ 3.14 Million) and capitalised development include ₹ **967.94 Million** (₹ 927.26 Million) relating to research and development (refer note C16).

(c) Includes directly attributable expenses capitalised to the extent of ₹ **1,341.58 Million** (₹ 1,310.09 Million) including ₹ **767.24 Million** (₹ 1,068.81 Million) capitalised from capital work in progress (CWIP) of previous year and borrowing cost capitalised to the extent of ₹ **1,633.54 Million** (₹ 789.18 Million) including ₹ **386.52 Million** (₹ 270.07 Million) capitalised from CWIP of previous year.

(d) Buildings include buildings constructed on leasehold land with gross book value of ₹ **12,717.47 Million** (₹ 11,550.06 Million) and net book value of ₹ **9,480.86 Million** (₹ 8,709.35 Million).

(e) Represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening, average and closing conversion rates.

(f) Carrying amount of tangible assets are pledged as security for liabilities (refer note B13(a)).

(g) Capital work-in-progress includes land of ₹ **248.00 Million** (₹ 245.35 Million) acquired by the Company and is in the process of getting the title deeds transferred to its name.

FINANCIAL ASSETS (NON-CURRENT)

B2 INVESTMENT IN ASSOCIATES / JOINT VENTURE

₹ Million

Particulars		As on March 31, 2020	As on March 31, 2019
	Unquoted investments **		
(a)	Investment in associates:		
	3,334 (3,334) equity shares of ₹ 10 each in KT Telematic Solutions Private Limited - fully paid up *	46.17	46.18
(b)	Investment in joint venture:		
	9,550 (9,550) units in Pan Aridus LLC, fully impaired	-	-
		46.17	**46.18**

* includes Company's cumulative share in profit of ₹ **1.16 Million** (₹ 1.17 Million).		
** Aggregate amount of unquoted investments at cost	45.01	45.01

B3 OTHER INVESTMENTS

₹ Million

Particulars		As on March 31, 2020	As on March 31, 2019
(At fair value through profit and loss)			
Other companies:			
A	Quoted Investments*		
	Investment in equity instruments:		
	16,394 (16,394) equity shares of ₹10 each in Bharat Gears Limited - fully paid up	0.42	2.79
		0.42	**2.79**
B	Unquoted investments **		
	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
	Nil (239,000) equity shares of ₹ 0.19 each in Bhadreshwar Vidyut Private Limited - fully paid up	-	0.05
	Nil (399,100) equity shares of ₹ 10 each in NSL Wind Power Company (Phoolwadi) Private Limited - fully paid up	-	3.99
	2,256,000 (6,000) equity shares of ₹ 30 each in Suryadev Alloys and Power Private Limited - fully paid up	67.68	0.18
	220,300 (292,000) equity shares of ₹ 11.50 each in OPG Power Generation Private Limited - fully paid up	2.53	3.36
	5,000 (5,000) equity shares of ₹ 100 each in Apollo Tyres Employees' Multipurpose Co-operative Society Limited - fully paid up	0.50	0.50
	49,358 (Nil) Series C preferred stock of USD 0.0001 each in Click Diagnostics, Inc	73.75	-
		147.58	**11.20**
Investments carried at fair value through profit and loss (A+B)		**148.00**	**13.99**
*Aggregate amount of quoted investments at cost		0.36	0.36
Aggregate amount of quoted investments at market value		0.42	2.79
**Aggregate amount of unquoted investments at cost		147.58	11.20

B4 OTHER FINANCIAL ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Employee advances - salary loan	41.70	23.67
Security deposits	289.17	267.28
Security deposits to related parties (refer note C22)	253.33	230.81
Security deposits with statutory authorities	346.87	267.28
Derivative assets measured at fair value (refer note C14)	1,500.33	522.58
	2,431.40	**1,311.62**

NON-FINANCIAL ASSETS (NON-CURRENT)

B5 OTHER NON-CURRENT ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Capital advances	3,013.42	6,400.99
Capital advances to related parties (refer note C22)	666.12	956.30
Statutory balances recoverable	2.58	2.58
Pension asset (refer note C13)	15.05	27.47
Advance tax (net)	13.51	593.53
Others	-	337.17
	3,710.68	**8,318.04**

CURRENT ASSETS

B6 INVENTORIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	6,508.01	8,395.25
- In transit	2,119.18	2,050.46
	8,627.19	**10,445.71**
(ii) Work-in-progress *	1,654.13	2,322.16
(iii) Finished goods		
- In hand	14,236.55	14,733.90
- In transit	382.32	965.11
	14,618.87	**15,699.01**
(iv) Stock-in-trade		
- In hand	4,455.32	3,882.34
- In transit	525.79	585.25
	4,981.11	**4,467.59**
(v) Stores and spares	2,187.86	1,906.39
	32,069.16	**34,840.86**

* Work-in-progress consists of only automotive tyres.

FINANCIAL ASSETS (CURRENT)

B7 TRADE RECEIVABLES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured)		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	1.41	1.91
Considered doubtful	509.40	439.62
Others - considered good *	9,397.35	13,141.65
	9,908.16	**13,583.18**
Provision for doubtful trade receivables (refer note C5)	(509.40)	(439.62)
	9,398.76	**13,143.56**

* Includes balances with related parties (refer note C22).

B8 CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(i) Balances with banks:		
Current accounts	6,491.64	3,851.22
Other deposit accounts		
- original maturity of 3 months or less	600.00	462.41
(ii) Cheques on hand / remittances in transit	286.06	1,234.11
(iii) Cash on hand	8.71	6.92
	7,386.41	**5,554.66**

B9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Unpaid dividend accounts*	109.57	71.84
Deposits with maturity exceeding 3 months but less than 12 months	0.01	0.01
	109.58	**71.85**

* These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note B19.

B10 OTHER FINANCIAL ASSETS

₹ Million

Particulars		As on March 31, 2020		As on March 31, 2019
Employee advances		57.48		41.24
Derivative assets measured at fair value (refer note C14)		56.53		125.61
Security deposits		245.00		204.83
Interest accrued on deposits / loans		-		0.14
Loans (including interest accrued) given to joint venture #	-		159.34	
Less: Provision for impairment	-	-	159.34	-
Others		76.22		55.77
		435.23		**427.59**

written off during the year

NON-FINANCIAL ASSETS (CURRENT)

B11 OTHER CURRENT ASSETS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(Unsecured, considered good unless otherwise stated)		
a. Advances given to related parties (refer note C22)	158.84	141.13
b. Trade advances: considered good	515.22	554.10
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
	515.22	**554.10**
c. Employee advances - others	52.00	47.85
d. Investment promotion subsidy receivable	647.79	560.64
e. Export obligations - advance licence benefit	252.06	259.18
f. Export incentives recoverable	455.59	454.22
g. Balance with statutory authorities	2,115.26	2,291.88
h. Gratuity (refer note C13)	199.27	44.36
i. Prepaid expenses	1,019.61	493.99
	5,415.64	**4,847.35**

B12 EQUITY SHARE CAPITAL

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(a) Authorised		
750,000,000 Nos. (730,000,000 Nos.) equity shares of ₹ 1 each	750.00	730.00
150,000,000 Nos. (200,000 Nos.) cumulative redeemable preference shares of ₹ 100 each	15,000.00	20.00
	15,750.00	**750.00**
(b) Issued, subscribed, called and fully paid up		
Equity shares of ₹ 1 each:		
572,049,980 Nos. (572,049,980 Nos.) equity shares	572.05	572.05
	572.05	**572.05**

(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, 2020		As on March 31, 2019	
	Number of shares	Amount in (₹ Million)	Number of shares	Amount in (₹ Million)
Opening / Closing balance	**572,049,980**	**572.05**	**572,049,980**	**572.05**

(d) Details of shareholders holding more than 5% of the paid up equity share capital of the Company with voting rights *

Name of the Shareholder	As on March 31, 2020		As on March 31, 2019	
	Number of shares	% age	Number of shares	% age
Neeraj Consultants Limited	73,827,161	12.91%	73,827,161	12.91%
White IRIS Investment Ltd.	51,054,445	8.92%	-	-
HDFC Trustee Company Ltd. - A/C its various Fund	41,273,025	7.21%	33,145,291	5.79%
Apollo Finance Limited	39,778,872	6.95%	39,381,872	6.88%
Sunrays Properties and Investment Company Private Limited	36,307,648	6.35%	36,307,648	6.35%

*As per the records of the Company including its register of member.

(e) The rights, preferences and restrictions attached to equity shares of the Company

The Company has only one class of issued shares referred to as equity shares having a par value of ₹ 1 each. The holder of equity shares are entitled to one vote per share.

(f) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g) Over the period of five years immediately preceding March 31, 2020 and March 31, 2019, 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.

FINANCIAL LIABILITIES (NON-CURRENT)

B13 BORROWINGS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
At amortised cost		
Secured *		
(i) Debentures	10,742.62	10,740.25
(ii) Term loans		
From banks:		
External commercial borrowings (ECB)	10,913.99	9,967.35
Foreign currency non-resident term loans	1,143.80	1,693.68
Rupee term loans	9,246.85	1,995.58
Euro term loans	19,395.60	13,806.92
From others:		
Magyar Import-Export Bank ZRT	-	3,395.50
(iii) Deferred payment liabilities:		
Deferred payment credit I	35.98	40.44
Deferred payment credit II	-	1.25
Deferred payment credit III	-	22.29
	51,478.84	**41,663.26**

* For details regarding repayment terms, interest rate and nature of security on non current borrowings (refer note B13(a)).

B13 (A)

₹ Million

Particulars	Amount outstanding as on March 31, 2020		Amount outstanding as on March 31, 2019		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 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	1,497.54	-	1,496.75	-	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	1,497.54	-	1,496.75	-	7.80%	Bullet payment on April 28, 2023	Refer note A below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2022	Refer note A below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,497.54	-	1,496.75	-	7.80%	Bullet payment on April 29, 2022	Refer note A below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	1,050.00	-	1,050.00	-	7.50%	Bullet payment on October 21, 2021	Refer note A below
Total	**10,742.62**	**-**	**10,740.25**	**-**			
External commercial borrowings (ECB) from banks							
Bank 1 - ECB I	1,880.27	-	1,717.08	-	0-1% above USD-LIBOR	3 equal annual instalments starting from FY 2022-23	Refer note A below
Bank 2 - ECB I	1,879.97	-	1,716.74	-	0.25-1.25% above USD-LIBOR	3 equal annual instalments starting from FY 2022-23	Refer note A below
Bank 3 - ECB I	1,880.91	-	1,717.95	-	0-1% above USD-LIBOR	3 equal annual instalments starting from FY 2022-23	Refer note A below
Bank 4 - ECB I	1,503.55	-	1,372.85	-	0.25-1.25% above USD-LIBOR	3 equal annual instalments starting from FY 2022-23	Refer note A below
Bank 5 - ECB I	3,769.29	-	3,442.73	-	0-1% above USD-LIBOR	Bullet payment on March 21, 2022	Refer note A below
Total	**10,913.99**	**-**	**9,967.35**	**-**			
Foreign currency non-resident (FCNR) term loan from banks							
Bank 1 - FCNR I	279.93	186.62	512.30	-	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments started from December 31, 2019	Refer note A below
Bank 1 - FCNR II	281.59	187.73	515.35	-	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments started from January 15, 2020	Refer note A below
Bank 1 - FCNR III	582.28	291.14	666.03	133.20	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note A below
Total	**1,143.80**	**665.49**	**1,693.68**	**133.20**			

₹ Million

Particulars	Amount outstanding as on March 31, 2020		Amount outstanding as on March 31, 2019		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 loans from banks							
Bank 1 - Rupee Term Loan	2,964.92	-	1,495.58	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 2 - Rupee Term Loan	2,469.86	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 3 - Rupee Term Loan	1,968.75	-	-	-	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note A below
Bank 4 - Rupee Term Loan	996.60	-	-	-	6 months MCLR	32 structured quarterly instalments after moratorium of 2 years from the date of first disbursement	Refer note A below
Bank 5 - Rupee Term Loan	146.72	-	-	-	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note A below
Bank 6 - Rupee Term Loan	200.00	-	-	-	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note A below
Bank 7 - Rupee Term Loan	500.00	-	500.00	-	0-2% above one year T-bill	Bullet payment on March 29, 2022	Refer note A below
Total	**9,246.85**	**-**	**1,995.58**	**-**			
Euro term loans from banks							
Bank 1	68.78	5.08	68.90	4.65	1.95%	Monthly payment till April 30, 2033	Secured by mortgage on land and building at Hamburg & Celle, Germany
Bank 2	13,380.87	1,163.55	-	-	2-2.50% above EURIBOR	Repayment in 10 semi-annual instalments starting from September 13, 2020	Refer note B below
Bank 3	-	-	2,398.41	592.87	1.50-2.50% above EURIBOR	Repayment in 8 semi-annual instalments started from February 11, 2019	Refer note C below
Bank 4	-	-	2,398.41	592.87	1.50-2.50% above EURIBOR	Repayment in 8 semi-annual instalments started from February 11, 2019	Refer note C below
Bank 5	-	-	2,398.41	592.87	1.50-2.50% above EURIBOR	Repayment in 8 semi-annual instalments started from February 11, 2019	Refer note C below
Bank 6	-	-	2,263.67	646.76	1.50-2.50% above EURIBOR	Repayment in 10 equal semi-annual instalments started from February 11, 2019	Refer note C below
Bank 7	-	-	1,131.83	323.38	1.50-2.50% above EURIBOR	Repayment in 10 equal semi-annual instalments started from February 11, 2019	Refer note C below
Bank 8	3,477.55	-	841.50	-	0-1% above EURIBOR	Bullet payment on March 21, 2022	Secured by Corporate Guarantee from the Company

₹ Million

Particulars	Amount outstanding as on March 31, 2020		Amount outstanding as on March 31, 2019		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			
Bank 9	2,468.40	-	2,305.06	-	0-1% above EURIBOR	Bullet payment on August 6, 2021	Secured by Corporate Guarantee from the Company
Bank 10	-	-	0.73	0.51	3.90%	Monthly payment till July 31, 2021	Secured by mortgage on Cars. This loan was prepaid during financial year 2019-20
Bank 11	-	-	-	4.74	4.25%	Monthly payment till November 30, 2019	Secured by mortgage on land and building at Cologne, Germany
Total	**19,395.60**	**1,168.63**	**13,806.92**	**2,758.65**			
Term loan from others							
Magyar Import-Export Bank ZRT	-	-	3,395.50	970.14	1.50-2.50% above EURIBOR	Repayment in 10 equal semi-annual instalments started from February 11, 2019	Refer note C below
Total	**-**	**-**	**3,395.50**	**970.14**			
Deferred payment liabilities							
Deferred payment credit I	35.98	4.46	40.44	4.13	7-8%	Repayment along with interest in 240 consecutive monthly instalments started from May 15, 2007	Wind Mills purchased under the deferred consideration payment plan
Deferred payment credit II	-	1.47	1.25	1.83	8-9%	Repayment along with interest in 20 equal quarterly instalments started from January 31, 2011	Engineering materials purchased under the Parts Management Agreement (PMA) scheme
Deferred payment credit III	-	-	22.29	29.65	Average 5-6%	Monthly repayments	Items of plant and equipment and other assets
Total	**35.98**	**5.93**	**63.98**	**35.61**			

Details of securities offered to existing lenders

Note A A pari passu first charge by way of hypothecation over the movable fixed assets (including plant and equipment) of the Company, both present and future.

Note B Apollo Vredestein B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its real estate being the land and buildings located in the Netherlands. In addition, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledge of fixed assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

Note C The facility is secured by a pledge on the shares of Apollo Tyres (Hungary) Kft. and a pledge on the bank accounts of Apollo Tyres B.V.
Apollo Tyres (Hungary) Kft. and Apollo Vredestein B.V. has given additional securities for the loan in the form of pledge over certain movable tangible assets including mortgage over the real estate, pledge of rights and receivables of Apollo Tyres (Hungary) Kft. and its bank accounts. These loans were prepaid during financial year 2019-20.

B14 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Derivative liabilities measured at fair value (refer note C14)	26.59	15.34
Lease liability (refer note C9)	8,222.43	-
	8,249.02	**15.34**

NON-FINANCIAL LIABILITIES (NON-CURRENT)

B15 PROVISIONS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(a) Provision for employee benefits		
Jubilee benefits (refer note C10)	180.78	183.21
Pension benefits (refer note C13)	899.02	671.48
(b) Other provisions		
Provision for constructive liability (refer note C10)	278.30	286.35
Provision for sales related obligations (refer note C10)	319.03	329.53
	1,677.13	**1,470.57**

B16 OTHER NON-CURRENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Security deposits received from dealers	85.92	59.93
Security deposits received from vendors	61.75	58.35
Deferred revenue arising from government grant	6,956.05	6,308.49
Pension liability	-	62.43
Others	79.82	21.36
	7,183.54	**6,510.56**

FINANCIAL LIABILITIES (CURRENT)

B17 BORROWINGS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
At amortised cost		
Secured		
From banks:		
Cash credit *	0.69	123.17
Working capital demand loan *	2,330.00	900.00
Bank overdrafts #	1,059.01	818.43
Unsecured		
From banks:		
Packing credit **	-	1,901.90
Working capital demand loan **	8,850.00	-
Others ##	2,080.31	1,803.22
	14,320.01	**5,546.72**

* Cash credits and working capital demand loans are repayable on demand and are secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts and by a second charge on the Company's land at village Kodakara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at head office in Gurgaon, Haryana together with the factory buildings, plant and machinery and equipment, both present and future. The interest rate on these loans are in the range of 6.00% p.a to 9.00% p.a (1.29% p.a to 11.00% p.a.)

Overdraft facility availed by one of the subsidiaries, Reifencom Gmbh, Hannover, is secured by a first charge on stock and receivables of Reifencom Gmbh, Hannover, both present and future and further supported by corporate guarantee issued by Apollo Tyres Cooperatief U.A. The interest rate on these loans is Euribor + 1.5% (Euribor + 1.5%).

** Packing credit and working capital demand loans are repayable on demand. The interest rate on these loans are in the range of 6.00% p.a to 9.00% p.a (1.29% p.a to 11.00% p.a.)

These are trade financing facility availed by one of the subsidiary company. The interest rate on these loans are in the range of 0.55% p.a to 2.60% p.a (0.55% p.a to 3.16% p.a.)

B18 TRADE PAYABLES *

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Trade payables (other than micro and small enterprises)	20,380.66	18,089.66
Employee related payable	2,118.49	2,034.95
Payable to related parties (refer note C22)	420.53	411.66
	22,919.68	**20,536.27**

* Incudes commission on net profit payable to Key managerial personnel (KMP) ₹ **257.26 Million** (₹ 552.10 Million).

B19 OTHER FINANCIAL LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Current maturities of non-current borrowings *		
Secured		
(a) Term loan from banks:		
Foreign currency non-resident term loans	665.49	133.20
Euro term loans	1,168.63	2,758.65
(b) Term loan from others:		
Magyar Import-Export Bank ZRT	-	970.14
(c) Deferred payment liabilities:		
Deferred payment credit I	4.46	4.13
Deferred payment credit II	1.47	1.83
Deferred payment credit III	-	29.65
	1,840.05	**3,897.60**
Interest accrued but not due on borrowings	749.61	729.00
Unclaimed dividends #	109.57	71.84
Accounts payable - capital	4,595.85	2,218.21
Payable to micro, small and medium enterprises - capital (refer note C19)	76.65	45.82
Interest payable to micro, small & medium enterprises (refer note C19)	10.58	10.58
Payable to related parties (refer note C22)	247.59	394.00
Security deposits - vendors	385.23	339.72
Advances received / credit balance from customers	3,559.50	2,037.26
Derivative liabilities measured at fair value (refer note C14)	41.36	96.57
Lease liability (refer note C9)	1,987.21	-
	13,603.20	**9,840.60**

* For details regarding repayment terms, interest rate and nature of security on current maturities of non-current borrowings (refer note B13(a)).

Includes ₹ **4.30 Million** (₹ 3.74 Million) which has not been transferred to the Investor Education and Protection Fund under Section 124 of the Companies Act, 2013, as per the orders/ instructions of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

NON-FINANCIAL LIABILITIES (CURRENT)

B20 OTHER CURRENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Statutory dues payable	2,504.34	4,062.34
Deferred revenue	32.40	46.13
Others	126.55	117.74
	2,663.29	**4,226.21**

B21 PROVISIONS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for employee benefits		
Provision for compensated absences (refer note C10)	269.56	246.09
Provision for superannuation	28.02	25.00
Others (refer note C10)		
Provision for constructive liability	51.99	50.42
Provision for contingencies	425.00	425.00
Provision for sales related obligations	1,969.53	1,770.70
	2,744.10	**2,517.21**

B22 CURRENT TAX LIABILITIES (NET)

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Provision for taxation	23,033.08	20,475.76
Advance tax	(22,319.85)	(19,527.12)
	713.23	**948.64**

B23 OTHER OPERATING INCOME

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Investment promotion subsidy (refer note C12)	87.15	235.93
Unwinding of deferred income (refer note C12)	1,735.41	1,438.44
Sale of raw material scrap	396.67	532.23
Provisions / liabilities no longer required written back	11.73	479.82
Others	74.08	68.09
	2,305.04	**2,754.51**

B24 OTHER INCOME

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) **Interest earned on deposits:**		
- Bank	1.87	30.44
- Inter corporate deposit	-	173.41
- Others	53.95	30.31
(b) **Dividend income from current investments - fair value through profit and loss**		
Mutual funds	-	50.83
(c) **Others**		
Profit on sale of property, plant and equipment (net)	19.67	15.98
Gain on foreign exchange fluctuation (net)	-	564.54
Gain on fair value change in investments	-	0.04
Miscellaneous	393.27	365.68
	468.76	**1,231.23**

B25 MANUFACTURING AND OTHER EXPENSES

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost of materials consumed: *		
Raw materials consumed	**70,498.26**	**86,260.87**
Purchase of stock-in-trade:		
Purchase of finished goods - tyres, tubes and flaps	**18,341.14**	**19,825.58**
Employee benefits expense: *		
Salaries and wages	20,295.13	19,486.21
Contribution to provident and other funds	2,930.78	3,240.44
Staff welfare	1,596.08	1,569.17
	24,821.99	**24,295.82**
Other expenses: *		
Consumption of stores and spare parts	1,255.00	1,395.78
Power and fuel	4,282.50	4,888.63
Conversion charges	632.55	808.25
Repairs and maintenance		
- Machinery	799.98	760.54
- Buildings	92.17	129.74
- Others	2,256.89	2,009.22
Rent (refer note C9)	242.17	2,121.42
Lease rent - factory	-	633.29
Insurance	498.10	337.58
Rates and taxes	173.99	203.87
Sitting fees to non-executive directors (refer note C22)	8.05	10.25
Commission to non-executive directors (refer note C22)	40.00	60.00
Loss on foreign exchange fluctuation (net)	17.47	-
Travelling, conveyance and vehicle	2,109.28	1,839.75
Postage, telephone and stationery	282.81	293.12
Conference	173.30	113.74
Freight and forwarding	7,182.62	7,130.02
Commission on sales	51.90	50.51
Sales promotion	477.20	759.09
Advertisement and publicity	4,321.61	3,738.38
Corporate social responsibility (refer note C20)	183.70	213.83
Bank charges	193.41	175.56
Statutory auditor's remuneration (refer note C15)	66.97	68.18
Provision for doubtful debts / advances (refer note C5)	76.83	52.08
Legal and professional	715.62	767.14
Miscellaneous #	2402.80	1,663.74
	28,536.92	**30,223.71**

* Includes expense towards research and development (refer note C16).
# Includes donation to electoral trust ₹ **300 Million** (Nil)

B26 FINANCE COSTS

₹ Million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) **Interest expense:**		
Interest on fixed-term loans	543.16	442.65
Interest on debentures	575.22	516.59
Interest on current loans	534.55	316.12
Others *	1,103.95	516.82
(b) **Other borrowing costs**	51.45	18.52
	2,808.33	**1,810.70**

* Includes interest expense pertaining to leasing arrangements during the current year amounting to ₹ **555.28 Million**.

C. OTHER NOTES

forming part of the Consolidated Financial Statements

1 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALIZED / INCLUDED IN CAPITAL WORK IN PROGRESS:

₹ Million

Particulars	2019-20	2018-19
Raw material consumed	22.95	136.74
Salaries, wages and bonus	352.22	215.29
Welfare expenses	22.61	24.48
Rent	11.18	0.93
Travelling, conveyance and vehicle	36.22	40.68
Postage, telephone and stationery	6.66	1.26
Power and fuel	22.77	32.04
Insurance	7.37	2.75
Legal and professional	64.80	7.08
Miscellaneous	37.64	154.20
Total	**584.42**	**615.45**

2 Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ **1,377.21 Million** (₹ 926.90 Million) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case **7.38%** (7.20%).

3 IMPAIRMENT TESTING OF INTANGIBLES WITH INDEFINITE LIFE

Intangibles with indefinite useful life comprises goodwill, trademarks and other intangible assets.

For the purpose of annual impairment testing, goodwill is allocated to the cash generating units expected to benefit from the synergies of the business combinations in which the goodwill arises. The Group acquired 100% shareholding of Reifencom Gmbh Hannover, one of the largest tyre distributor in Germany on January 1, 2016. Deferred consideration payable on acquisition of subsidiary, payable to erstwhile members of Reifencom Gmbh Hannover and the fair value of the net assets acquired and intangibles recognised has been considered as a part of purchase consideration for computation of goodwill. In addition to goodwill, certain trademarks and other intangible assets were also recognized in the consolidated financial statements which were not recorded in the separate financial statement of the acquiree. Further, there are certain other trademarks that were acquired as part of acquisition of AVBV (Apollo Vredestein B.V.).

As on March 31, 2020, the carrying value of other intangible assets amounting to ₹ **346.31 million** (₹ 323.39 million) have been determined to have indefinite useful life (refer note B1).

Changes in the net carrying amount of trademarks is summarized as below:

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Opening balance	2,037.07	2,106.01
Foreign exchange translation impact	144.34	(68.94)
Closing balance	**2,181.41**	**2,037.07**

Changes in the net carrying amount of goodwill is summarized as below:

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Opening balance	1,993.25	2,060.71
Foreign exchange translation impact	141.24	(67.46)
Closing balance	**2,134.49**	**1,993.25**

Impairment

An impairment test was carried out as on March 31, 2020, details of the test are as outlined below:

Particulars	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	8.20%	10.70%
Growth Rate	0% - 2%	2%
Number of years for which cash flows were considered	5	5
Test Result	No Impairment Loss	No Impairment Loss

An impairment test was carried out as on March 31, 2019, details of the test are as outlined below:

Particulars	Trademarks#	Goodwill, Trademarks and Other intangibles*
Discount Rate	9.10%	8.20%
Growth Rate	0% - 2%	2%
Number of years for which cash flows were considered	5	4
Test Result	No Impairment Loss	No Impairment Loss

pertains to AVBV acquisition

* pertains to Reifencom Gmbh Hannover acquisition

Growth rates

The growth rates used are in line with the growth rate of the industry and the countries in which the entities operates and are consistent with internal / external sources of information.

Discount rates

The discount rates takes into consideration market risk and specific risk factors of the cash generating unit. The cash flow projections are based on the forecasts made by the management.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

4 INVENTORIES

i. Out of the total inventories of ₹ **32,069.16 Million** (₹ 34,840.86 Million), the carrying amount of inventories carried at fair value less costs to sell amounted to ₹ **377.82 Million** (₹ 447.47 Million).

ii. The amount of write down of inventories to net realizable value recognised as an expense was ₹ **178.39 Million** (₹ 136.78 Million).

iii. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **92,010.91 Million** (₹ 102,778.37 Million).

5 CHANGES IN PROVISION FOR DOUBTFUL TRADE RECEIVABLES:

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Opening balance	**439.62**	**466.31**
Addition during the year	76.83	52.08
Utilisation / reversal during the year	(35.40)	(63.97)
Foreign exchange translation impact	28.35	(14.80)
Closing balance	**509.40**	**439.62**

6 DESCRIPTION OF NATURE AND PURPOSE OF EACH RESERVE

i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

ii. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

iii. Capital reserve on consolidation

This balance represents excess of net assets of AVBV acquired at fair value over the purchase consideration.

iv. Capital reserve on Apollo (Mauritius) Holdings Private Limited ("AMHPL") merger

AMHPL erstwhile (subsidiary company) was merged with the Company resulting in a capital reserve.

v. Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for redemption of debentures.

vi. Capital subsidy

This balance represents subsidy received under New Industrial Policy 2007 of the Government of Tamil Nadu for expansion and employment generation within SIPCOT Industrial park.

vii. Capital redemption reserve

This reserve has been created in accordance with provision of the Act for the buy back of equity shares from the market.

viii. Capital reserve on forfeiture of shares

This reserve was created on forfeiture of shares by the Company. The reserve is not available for the distribution to the shareholders.

ix. Retained earnings

Retained earnings are created from the profit of the Group, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plans etc.

x. Foreign currency translation reserve

This balance represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening, average and closing conversion rates.

7 The Board of Directors have recommended a final dividend of **Nil** (₹ 3.25) per share amounting to **Nil** (₹ 1,859.16 Million) on Equity Shares of ₹ 1/- each for the year, subject to approval from Shareholders. Dividend distribution tax on such dividend amounts to **Nil** (₹ 382.16 Million).

8 During the previous year, the Company held unsecured, short term intercorporate deposit of ₹ 2,000 million with IL&FS Financial Services Ltd ("IL&FS"). The said deposit was due for maturity on October 22, 2018, however, IL&FS has defaulted on its repayment. The interest accrued and due on this investment of ₹ 80.33 Million till October 22, 2018 has not been recorded. As a result of increased credit risk in relation to outstanding balances from IL&FS and the uncertainty prevailing due to the proceedings pending with the NCLT, the entire amount of ₹ 2,000 million has been written off and disclosed as an exceptional item in the financial statements.

9 LEASES

i Nature of leasing activities

The Group has entered into lease arrangements for various warehouses, vehicles, plant and equipment, offices and other assets that are renewable on a periodic basis with approval of both lessor and lessee.

ii The Group does not have any lease commitments towards variable rent as per the contract.

iii Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

iv Lease liabilities are presented in the consolidated statement of financial position as follows:

₹ Million

Particulars	As on March 31, 2020
Non current	8,222.43
Current	1,987.21
Total	**10,209.64**

v Future minimum lease payments as on 31 March 2020 are as follows:

₹ Million

Particulars	As on March 31, 2020		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	2,478.60	(491.39)	1,987.21
1-2 years	2,117.38	(396.09)	1,721.29
2-3 years	1,758.07	(350.87)	1,407.20
3-4 years	1,319.37	(295.31)	1,024.06
4-5 years	1,016.34	(247.21)	769.13
After 5 years	3,876.46	(575.71)	3,300.75
Total	**12,566.22**	**(2,356.58)**	**10,209.64**

vi Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

₹ Million

Particulars	As on March 31, 2020
Short term leases	47.93
Leases of low value assets	53.55
Variable lease payments	140.69
Total	**242.17**

vii Additional information on the right-of-use assets by class of assets is as follows:

₹ Million

Particulars	Carrying amount (Net block)	Depreciation expense
As on March 31, 2020		
Buildings	9,396.51	2,009.88
Plant & equipment	436.19	171.59
Vehicles	381.76	185.86
Others	8.57	4.32
Total right-of-use assets	**10,223.03**	**2,371.65**

viii Reconciliation of total lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

₹ Million

Particulars	Amount
Total operating lease commitments disclosed at March 31, 2019 (a)	**10,813.93**
Recognition exemptions:	
- Leases of low value assets, leases of less than 12 months & variable lease payments not recognised (b)	16.24
Operating lease liabilities before discounting (c) = (a - b)	**10,797.69**
Discounted using incremental borrowing rate (d)	2,865.65
Operating lease liabilities (e) = (c - d)	**7,932.04**
Reasonably certain extension options / other adjustments (f)	3,034.74
Total lease liabilities recognised under Ind AS 116 at April 01, 2019 (e + f)	**10,966.78**

ix Total cash outflow pertaining to leases during the year ended March 31, 2020 is ₹ 2,595.62 Million.

x As on March 31, 2020, the Group has committed short term leases and total commitment at that date is ₹ 139.70 Million.

10 PROVISIONS - NON-CURRENT / CURRENT

(i) Changes in non-current provisions is as below:

₹ Million

Particulars	Provision for sales related obligations *	Provision for constructive liability **	Provision for jubilee benefits #
As on March 31, 2018	304.03	281.08	179.60
Addition during the year	25.50	22.59	9.89
Utilisation / reversal during the year	-	(0.06)	-
Foreign exchange translation impact	-	(17.26)	(6.28)
As on March 31, 2019	**329.53**	**286.35**	**183.21**
Addition during the year	-	15.00	2.52
Utilisation / reversal during the year	(10.50)	(10.19)	(17.12)
Foreign exchange translation impact	-	(12.86)	12.17
As on March 31, 2020	**319.03**	**278.30**	**180.78**

* Represents estimates for payments to be made in future for sales related obligations (including warranties).

** Includes post-employment benefit obligation for the employees of related party engaged by the company at its Kalamessary plant taken on lease and provision on account of post employment medical benefit obligation of ex-employees in case of Apollo Tyres Africa (Pty) Ltd.

There is a jubilee scheme in place for all employees of Apollo Tyres B.V. on Dutch payroll. For 12.5, 25 and 40 years of service, benefits are paid to the personnel.

(ii) Changes in current provisions is as below:

₹ Million

Particulars	Provision for compensated absences	Provision for sales related obligations *	Provision for constructive liability	Provision for contingencies
As on March 31, 2018	235.21	2,295.02	38.55	790.00
Addition during the year	14.22	1,999.29	11.87	-
Utilisation / reversal during the year	(2.28)	(2,495.47)	-	(365.00)
Foreign exchange translation impact	(1.06)	(28.14)	-	-
As on March 31, 2019	**246.09**	**1,770.70**	**50.42**	**425.00**
Addition during the year	230.32	2,092.44	1.57	-
Utilisation / reversal during the year	(208.59)	(1,953.84)	-	-
Foreign exchange translation impact	1.74	60.23	-	-
As on March 31, 2020	**269.56**	**1,969.53**	**51.99**	**425.00**

* Represents estimates for payments to be made in future for sales related obligations (including warranties).

11 INCOME TAXES

(i) Reconciliation between average effective tax rate and applicable tax rate

Particulars	2019-20		2018-19	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	**5,434.37**		**8,881.29**	
Income tax using the Company's domestic tax rate	1,898.77	34.94	3,103.48	34.94
Tax effect of				
Effect of different tax rates in foreign jurisdictions	(208.85)	(3.84)	(171.02)	(1.93)
Change in tax rates in foreign jurisdictions	196.37	3.61	(207.28)	(2.33)
Non deductible expenses	422.05	7.77	175.33	1.97
Tax exempt income	(608.07)	(11.19)	(515.93)	(5.81)
Tax incentives and concessions	(1,167.57)	(21.48)	(261.75)	(2.94)
Others	137.72	2.53	(39.94)	(0.45)
Income tax expense recognised in the consolidated statement of profit and loss	**670.42**	**12.34**	**2,082.89**	**23.45**

(ii) Components of deferred tax liability (net)

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, plant and equipments and intangible assets	13,280.26	10,698.21
Employee benefits	26.62	26.62
Others	676.48	481.48
Gross deferred tax liability (a)	**13,983.36**	**11,206.31**
Tax effect of items constituting deferred tax assets		
Carry forward tax losses	1,761.13	-
Employee benefits	303.11	203.72
Provisions for doubtful debt / advances	141.89	141.89
Minimum alternate tax entitlement	3,179.33	2,152.78
Others	1,121.01	476.07
Gross deferred tax asset (b)	**6,506.47**	**2,974.46**
Deferred tax liability (net) (a - b)	**7,476.89**	**8,231.85**

(iii) Components of deferred tax asset (net)

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Tax effect of items constituting deferred tax assets		
Employee benefits	166.60	111.45
Carry forward tax losses	191.36	275.08
Others	87.06	138.55
Deferred tax asset (net)	**445.02**	**525.08**

One of the subsidiary company has net carry forward losses on which deferred tax asset has not been recognised amounting to **₹ 196.91 Million** as on March 31, 2020 (₹ 136.43 Million as on March 31, 2019) which has a 15-20 year carry forward period.

(iv) Components of deferred tax expense

₹ Million

Particulars	2019-20	2018-19
Tax effect of items constituting deferred tax liabilities		
Property, plant and equipments and intangible assets	1,974.06	1,111.12
Others	199.58	237.62
Sub-total (a)	**2,173.64**	**1,348.74**
Tax effect of items constituting deferred tax assets		
Carry forward tax losses	1,610.79	92.37
Minimum alternate tax entitlement	1,026.56	1,004.83
Others	139.92	39.74
Sub-total (b)	**2,777.27**	**1,136.94**
Total (a - b)	**(603.63)**	**211.80**

(v) The movement in net deferred tax liability is as follows:

₹ Million

Particulars	2019-20	2018-19
Net deferred tax liability at the beginning of the year	7,706.77	7,432.91
Deferred tax expense recognised in the consolidated statement of profit and loss	(603.63)	211.80
Deferred tax expense / (income) recognised in other comprehensive income	(194.62)	(1.83)
Foreign exchange translation impact	123.35	63.89
Net deferred tax liability at the end of the year	**7,031.87**	**7,706.77**

(vi) Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for year ended March 31, 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

(vii) The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the Company / subsidiary companies.

12 GOVERNMENT GRANTS

a) Investment promotion subsidy from Government of Tamil Nadu

Pursuant to the Memorandum of Understanding (MoU) executed between the Government of Tamil Nadu (GoTN) and the Company, the Company is entitled, interalia, for refund of an amount equal to Net Output (VAT + CST) / GST paid by the Company to GoTN in the form of Investment Promotion Subsidy.

As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **87.15 Million** (₹ 235.93 Million) as other operating income, being the eligible amount of refund of Net Output (VAT + CST) / GST paid by the Company to GoTN.

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 ₹ **2,531.28 Million** (₹ 890.91 Million) with a corresponding increase in the value of property, plant and equipment and capital work in progress. The grant amounting to ₹ **1,735.41 Million** (₹ 1,438.44 Million) where export obligations have been met, have been recognized in consolidated statement of profit and loss as other operating income. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under other non current liabilities.

c) The Group has successfully completed its greenfield project in Gyöngyöshalász, Hungary through its subsidiary Apollo Tyres Hungary Kft (ATH Kft) for manufacturing of passenger car and commercial vehicle tyres. For this project, ATH Kft had entered into an agreement for grant with the Ministry of National Development, Government of Hungary on June 30, 2014. The project start date for this investment was June 23, 2014 and the investment completion date was December 31, 2019. ATH Kft has informed to the authority for project completion within original stipulated time. The plant is under production ramp up phase. This grant is subject to fulfillment of certain obligations by ATH Kft.

As ATH Kft has fulfilled its periodical obligations as per the incentive agreement, an amount of ₹ **171.80 Million** (₹ 856.77 Million) has been received during the year, being the eligible amount of grant during the year. This amount has been accounted as deferred revenue (included in other non-current liabilities).

Out of the total grant, ₹ **166.58 Million** (₹ 130.37 Million) has been amortised during the year & recognized as income in consolidated statement of profit and loss. Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred revenue under other non-current liabilities.

13 EMPLOYEE BENEFIT LIABILITY

i. Defined contribution plans

A. Indian operations

a. **Superannuation plan:** The Company contributes a sum equivalent to 15% of the eligible employees' basic salary to a superannuation fund administered and maintained by the Life Insurance Corporation of India (LIC). The Company has no liability for future superannuation fund benefits other than its annual contribution and recognizes such contributions as an expense in the year incurred. The amount of contribution paid by the Company to Superannuation Fund is ₹ **103.69 Million** (₹ 89.03 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 ₹ **308.19 Million** (₹ 256.47 Million).

B. Foreign operations

At reporting date, employees of Apollo Vredestein B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the insurance company. Apollo Vredestein B.V. has no legal or constructive obligation to pay further contribution and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service.

Contributions that will not be settled within 12 months are discounted and recognized as liability.

The other foreign subsidiaries in the Group have contributed to various defined contribution plans as per the local laws of the respective countries.

The amount of contribution made by various foreign subsidiaries is ₹ **181.85 Million** (₹ 175.48 Million).

ii. Defined benefit plans

A. Indian operations

Gratuity

The Company operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Payments of Gratuity Act, 1972. The scheme is funded with LIC.

The following table summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the consolidated balance sheet for the respective plan:

Consolidated statement of profit and loss

₹ Million

Particulars	2019-20	2018-19
Current service cost ^	110.25	83.42
Interest cost on benefit obligation *	88.92	86.86
Actual return on plan assets*	(77.31)	(79.14)
Expense recognized in the consolidated statement of profit and loss	**121.86**	**91.14**

^ Included in employee benefit expense
* Included in finance cost

Other comprehensive income (experience adjustment)

₹ Million

Particulars	2019-20	2018-19
Actuarial (gain) / loss for the year on defined benefit obligation	230.40	(23.94)
Actuarial (gain) / loss for the year on plan asset	15.00	(4.00)
Total	**245.40**	**(27.94)**

Consolidated balance sheet

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Fair value of plan assets at the end of the year (a)	1,696.22	1,206.66
Present value of defined benefit obligation at the end of the year (b)	1,496.95	1,162.30
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**199.27**	**44.36**

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	2019-20	2018-19
Present value of obligations as at the beginning of the year	1,162.30	1,128.09
Interest cost	88.92	86.86
Current service cost	110.25	83.42
Benefits paid	(94.92)	(112.13)
Actuarial loss / (gain) on obligation	230.40	(23.94)
Present value of obligation as at the end of the year	**1,496.95**	**1,162.30**

Changes in the fair value of plan assets

₹ Million

Particulars	2019-20	2018-19
Fair value of plan assets at beginning of the year	1,206.66	969.30
Actual return on plan assets	77.31	79.14
Contributions	522.17	266.35
Benefits paid	(94.92)	(112.13)
Actuarial (loss) / gain on plan assets	(15.00)	4.00
Fair value of plan assets as at the end of the year	**1,696.22**	**1,206.66**

The Company's gratuity funds are managed by the LIC and therefore the composition of the fund assets in not presently ascertained.

Maturity profile of defined benefit obligation

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
0-1 year	179.02	196.33
1-2 year	63.86	17.11
2-3 year	62.70	17.06
3-4 year	65.81	16.80
4-5 year	70.90	38.57
More than 5 years	1,054.66	876.43
Total	**1,496.95**	**1,162.30**

Principal assumptions for gratuity

Particulars	As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
a) Discount rate	6.88	7.65
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	7.43	7.85
d) Retirement age (years)	58	58
e) Mortality table	IALM (2012-2014)	IALM (2006-2008)
f) Ages (withdrawal rate %)		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Estimated amount of contribution in the immediate next year is ₹ **123.32 Million** (₹ 86.94 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, 2020	1,496.95	1,496.95	1,496.95
Impact due to increase of 0.50%	(69.34)	75.62	(9.92)
Impact due to decrease of 0.50%	75.34	(70.21)	10.67

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2019	1,162.30	1,162.30	1,162.30
Impact due to increase of 0.50%	(49.39)	54.13	11.59
Impact due to decrease of 0.50%	53.52	(50.36)	(12.98)

B. Foreign operations

The pension liability as recorded in the consolidated balance sheet relates to the defined benefit plan of Apollo Vredestein GmbH and Reifencom Gmbh Hannover where the actuarial calculation was performed by certified actuarial firms.

1 Apollo Vredestein GmbH

Principal assumptions

Particulars	As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
Inflation	1.75	1.75
Indexation non-active members	1.75	1.75
Mortality table	Heubeck 2018G	Heubeck 2005G
Individual salary increase (dependent on age)	3.00	3.00
Discount rate	0.60	1.80

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	2019-20	2018-19
Defined benefit obligation		
Present value of obligation as at the beginning of the year	671.48	664.84
Service cost	16.06	17.95
Interest cost	12.07	12.53
Benefits paid	(21.66)	(21.49)
Remeasurements due to experience	(7.74)	0.51
Remeasurements due to change in financial assumptions	171.87	12.34
Remeasurements due to change in demographic assumptions	-	7.71
	842.08	**694.39**
Foreign exchange translation impact	56.94	(22.91)
Present value of obligation as at the end of the year	**899.02**	**671.48**

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
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)	899.02	671.48
Net (liability) recognized in the consolidated balance sheet (a - b)	**(899.02)**	**(671.48)**

Sensitivity analysis

₹ Million

Particulars	Change in assumption	Change in defined benefit obligation	Change in assumption	Change in defined benefit obligation
	2019-20	2019-20	2018-19	2018-19
Discount rate	Increase by 1.00%	-17.27%	Increase by 1.00%	-15.65%
Salary increase	Increase by 0.50%	1.69%	Increase by 0.50%	1.55%
Inflation	Increase by 0.25%	3.46%	Increase by 0.25%	3.15%

Maturity profile of defined benefit obligation

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
0-1 year	23.43	21.82
1-2 year	23.58	21.86
2-3 year	23.55	22.04
3-4 year	24.01	22.05
4-5 year	24.60	22.50
5-10 years	138.58	125.90
Total	**257.75**	**236.17**

2 Reifencom Gmbh Hannover

Principal assumptions

Particulars	As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
Inflation	1.75	1.75
Mortality table	Heubeck 2018G	Heubeck 2018G
Retirement age (years)	65	65
Discount rate	0.60	1.80

Changes in the present value of the defined benefit obligation

₹ Million

Particulars	2019-20	2018-19
Present value of obligation as at the beginning of the year	102.08	187.70
Service cost	0.31	8.94
Interest cost	1.86	3.60
Remeasurements due to experience	0.35	(96.40)
Remeasurements due to change in financial assumptions	15.00	1.25
Remeasurements due to change in demographic assumptions	-	(0.22)
	119.60	**104.87**
Foreign exchange translation impact	8.19	(2.79)
Present value of obligation as at the end of the year	**127.79**	**102.08**

Changes in the fair value of plan assets

₹ Million

Particulars	2019-20	2018-19
Fair value of plan assets as at the beginning of the year	129.55	129.71
Actuarial gain on plan assets	1.61	1.78
Interest income	2.37	2.49
	133.53	**133.98**
Foreign exchange translation impact	9.31	(4.43)
Fair value of plan assets as at the end of the year	**142.84**	**129.55**

Net asset / (liability) recognised in the consolidated balance sheet

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Fair value of plan assets as at the end of the year (a)	142.84	129.55
Present value of defined benefit obligation as at the end of the year (b)	127.79	102.08
Net asset / (liability) recognized in the consolidated balance sheet (a - b)	**15.05**	**27.47**

Sensitivity analysis

₹ Million

Particulars	Change in assumption	Change in defined benefit obligation	Change in assumption	Change in defined benefit obligation
	2019-20	2019-20	2018-19	2018-19
Discount rate	Increase by 1.0%	-10.45%	Increase by 1.0%	-11.06%
Discount rate	Decrease by 1.0%	11.93%	Decrease by 1.0%	12.68%
Inflation	Increase by 0.25%	0.23%	Increase by 0.25%	0.18%
Inflation	Decrease by 0.25%	-0.22%	Decrease by 0.25%	-0.18%

Maturity profile of defined benefit obligation

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
0-1 year	0.17	0.15
1-2 year	0.19	0.16
2-3 year	0.21	0.18
3-4 year	0.23	0.20
4-5 year	0.25	0.22
More than 5 years	126.74	101.17
Total	**127.79**	**102.08**

iii Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

Particulars		As on March 31, 2020 Rate (%)	As on March 31, 2019 Rate (%)
a)	Discount rate	6.88	7.65
b)	Future salary increase*	6.00	6.00
c)	Retirement age (years)	58	58
d)	Mortality table	IALM (2012-2014)	IALM (2006-2008)
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.

14 FINANCIAL INSTRUMENT

A) Capital risk management

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders which comprises issued share capital (including premium) and accumulated reserves disclosed in the consolidated statement of changes in equity.

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's policy is to keep an optimum gearing ratio. The Group includes within debt, interest bearing loans and borrowings.

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Borrowings (refer note B13 and B17)	65,798.85	47,209.98
Current maturities of non current borrowings (refer note B19)	1,840.05	3,897.60
Sub-total (a)	**67,638.90**	**51,107.58**
Equity (refer note B12)	572.05	572.05
Other equity	98,728.09	99,826.14
Sub-total (b)	**99,300.14**	**100,398.19**
Capital gearing ratio (a) / (b)	**0.68**	**0.51**

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 on March 31, 2020	Sensitivity + 1%	Sensitivity -1%	As on March 31, 2019	Sensitivity + 1%	Sensitivity -1%
USD	12,724.55	127.25	(127.25)	(12,952.73)	(129.53)	129.53
Euro	(1,908.32)	(19.08)	19.08	(10,297.74)	(102.98)	102.98
GBP	(44.53)	(0.45)	0.45	(203.96)	(2.04)	2.04
Others	314.86	3.15	(3.15)	810.23	8.10	(8.10)

ii) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

Interest on variable rate borrowings in the Company are converted at fixed rate since the company has hedged interest rate risk fully and effectively with the hedging instruments.

The table below presents the impact on profit before tax for variable rate borrowings taken by subsidiary companies assuming a market interest rate shift of 0.25%:

Sensitivity analysis

₹ Million

Particulars	As on March 31, 2020	Sensitivity +0.25%	Sensitivity -0.25%	As on March 31, 2019	Sensitivity +0.25%	Sensitivity -0.25%
Non-current borrowings (including current maturities)	14,544.43	(36.36)	36.36	17,705.12	(44.26)	44.26
Current borrowings	2,080.31	(5.20)	5.20	1,803.22	(4.51)	4.51

b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. All entities in the Group have their approved commercial policy based on which the credit risk is managed. The Group has adopted a policy of only dealing with creditworthy customers.

Trade receivables comprise a widespread customer base and each entity undertakes on going credit evaluations of the financial condition of its customers, which may be based on the information supplied by the credit rating agencies, publicly available financial information and its own trading records and trends. In many cases, an appropriate advance is taken from the customer. In other cases, the entities use various methods to limit the credit risk viz. credit insurance, bank guarantee, post dated cheques etc.

At the year end, the Group did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

c) Price risk

One of the subsidiary in the Group has executed commodity future contracts which are transacted in standardised amounts on regulated exchanges. The derivative financial instrument are measured at fair value through profit and loss and classified under Level 1 of the fair value measurement hierarchy.

d) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities for each entity. The Group has established an appropriate liquidity risk management framework for each entity's short term, medium term and long term funding requirement.

The below tables summarise the maturity profile of the Group's financial assets and financial liabilities

i. Non derivative financial assets

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	16,461.64	687.29	437.95	18,609.49	789.04	60.17
Fixed interest rate instruments	811.81	-	-	462.56	-	-

ii. Non derivative financial liabilities

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	32,075.44	-	-	24,940.97	-	-
Lease liability	1,987.22	4,921.67	3,300.75	35.61	43.18	20.80
Variable interest rate instruments	5,696.93	25,616.96	9,068.56	9,164.49	24,125.20	3,517.64
Fixed interest rate instruments	11,212.74	14,536.84	2,256.49	1,814.50	11,756.44	2,200.00

iii. Derivative assets / (liabilities)

₹ Million

Particulars	As on March 31, 2020			As on March 31, 2019		
	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:						
– commodity future contract	3.28	-	-	-	-	-
– commodity future contract	(39.78)	-	-	(1.24)	-	-
– foreign currency forward contracts, futures and options	(1.58)	(26.59)	-	(95.33)	-	-
– foreign currency forward contracts, futures and options	53.25	-	-	125.61	-	-
Gross settled:						
– cross currency interest rate swaps	-	-	-	-	(15.34)	-
– cross currency interest rate swaps	-	1,500.33	-	-	34.20	488.38
Total	**15.17**	**1,473.74**	**-**	**29.04**	**18.86**	**488.38**

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 on March 31, 2020	As on March 31, 2019	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial assets (a)			
- Foreign currency forward contracts, futures and options	53.25	125.61	2
- Cross currency interest rate swaps	1,500.33	522.58	2
- Commodity future contract	3.28	-	1
Total	**1,556.86**	**648.19**	
Derivative financial liabilities (b)			
- Foreign currency forward contracts, futures and options	28.17	95.33	2
- Cross currency interest rate swaps	-	15.34	2
- Commodity future contract	39.78	1.24	1
Total	**67.95**	**111.91**	
Net derivative financial assets / (liabilities) (a- b)	**1,488.91**	**536.28**	

ii. Fair Value of financial assets (other than derivative instruments) carried at fair value:

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
– Non current investments - quoted	0.42	2.79	1
– Non current investments - unquoted	147.58	11.20	3
Total	**148.00**	**13.99**	

iii. Fair value of financial assets / liabilities (other than investment in joint venture and associates) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the consolidated balance sheet approximates their fair value.

*Level 1 - Quoted price in an active market.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

f) Details of outstanding contracts

Currency pair	Currency	Currency value (Million)	Exchange rate	Nominal value (Million)	Buy/Sell
As on March 31, 2020					
Foreign currency forward contracts					
USD / INR	US Dollar	56.80	75.58	4,292.64	Buy
USD / THB	US Dollar	6.00	32.84	197.03	Buy
USD / ZAR	US Dollar	2.25	17.89	40.26	Buy
EUR / INR	Euro	30.99	83.14	2,576.16	Buy
EUR / GBP	British Pound	1.00	1.13	1.13	Sell
Futures and options					
USD / INR	US dollar	19.00	75.58	1,436.02	Buy
Cross currency interest rate swaps					
USD / INR	US dollar	168.94	75.58	12,768.39	Buy
Commodity future contract	US dollar	2.10	75.12	157.45	Buy / Sell
As on March 31, 2019					
Foreign currency forward contracts					
USD / INR	US Dollar	37.26	69.16	2,576.85	Buy
USD / THB	US Dollar	6.00	31.71	190.24	Buy
USD / ZAR	US Dollar	2.25	14.48	32.57	Buy
USD / MYR	US Dollar	0.60	4.08	2.45	Buy
USD / GBP	British Pound	1.50	1.32	1.98	Sell
EUR / GBP	British Pound	2.50	1.14	2.85	Sell
Futures and options					
USD / INR	US Dollar	8.00	69.16	553.28	Buy
Cross currency interest rate swaps					
USD / INR	US Dollar	171.42	69.16	11,855.08	Buy
Commodity future contract	US Dollar	0.83	69.56	57.73	Buy / Sell

For fair value of outstanding contracts, refer note C14 (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 on March 31, 2020								
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Cross Currency Swaps								
USD / INR	USD 168.94	1,423.51	-	March-2022 to September-2024	1:1	69.17 to 75.24	496.04	(496.04)
Fair value hedge								
Foreign exchange risk								
(i) Foreign currency forward contracts								
EUR / INR	EUR 30.99	37.26	(26.59)	April-2020 to June-2020	1:1	82.20 to 88.90	10.67	(10.67)
USD / INR	USD 20.56	39.56	-	April-2020 to June-2020	1:1	72.25 to 75.04	39.56	(39.56)
[Carrying value of firm Commitments for capital assets is ₹ 50.22 million and is recognised in Other non-current liabilities as others]								

(2) Disclosure of effects of hedge accounting on consolidated statement of profit and loss

₹ Million

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2020				
Cash flow hedge				
Foreign exchange and interest rate risk	496.04	-	(429.43)	Finance Cost
			1,089.18	Gain on foreign currency transactions and translations
Fair value hedge				
Foreign exchange risk	-	0.63	-	Gain on foreign currency transactions and translations

(3) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as on April 01, 2019	**(7.41)**
Add: Changes in fair value of cross currency swaps	496.04
Less: Amount reclassified to consolidated statement of profit and loss	(659.75)
Less: Deferred tax relating to above (net)	57.21
Balance as on March 31, 2020	**(113.91)**

(a) 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 on March 31, 2019								
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Cross Currency Swaps								
USD / INR	USD 171.42	522.58	15.34	March-2022 to September-2024	1:1	69.17 to 75.24	17.29	(17.29)

(b) 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, 2019				
Cash flow hedge				
Foreign exchange and interest rate risk	17.29	-	(286.83)	Finance Cost
			403.81	Gain on foreign currency transactions and translations

(c) Movement in cash flow hedging reserve

₹ Million

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as on April 01, 2018	**57.45**
Add: Changes in fair value of cross currency swaps	17.29
Less: Amount reclassified to consolidated statement of profit and loss	(116.98)
Less: Deferred tax relating to above (net)	34.83
Balance as on March 31, 2019	**(7.41)**

15 STATUTORY AUDITOR'S REMUNERATION

₹ Million

Particulars	2019-20	2018-19
For audit and quarterly reviews	61.18	60.45
For taxation matters	1.00	2.42
For other services	4.79	5.31
Total	**66.97**	**68.18**

16 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ Million

Particulars	2019-20	2018-19
(A) Revenue expenditure		
Employee benefits expense	1,264.27	1,105.53
Travelling, conveyance and vehicle	153.58	211.74
Others	1,096.28	1,386.47
Total	**2,514.13**	**2,703.74**
(B) Capital expenditure	**1,368.11**	**1,410.06**
Total (A + B)	**3,882.24**	**4,113.80**

17 CONTINGENT LIABILITIES

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Sales tax	417.30	174.97
Income tax #	708.90	784.80
Claims against the Group not acknowledged as debt		
- Employee related	172.88	164.51
- Others	29.30	30.60
Excise duty and service tax *	626.23	581.62

Excludes amount of ₹ **1,039.46 Million** (₹ 442.43 Million) in appeals which have been decided by Appellate authorities in the Company's favour but on which the department has gone for further appeal and a demand of **Nil** (₹ 671.71 Million) relating to the adjustments made in MAT computation, which in the opinion of the Company, is not sustainable and the probability of cash outflow is considered remote.

* Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

18 CAPITAL COMMITMENTS

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	19,981.97	40,993.31

19 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ Million

Particulars	As on March 31, 2020	As on March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	247.45	174.37
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.58	10.58
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	10.58	10.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	10.58	10.58

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

20 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	2019-20	2018-19
i) Gross amount required to be spent by the Company during the year	183.70	213.83
ii) Amount spent during the year on the following:		
(a) Construction / acquisition of any asset	-	-
(b) On purposes other than (a) above	183.70	213.83
Total	**183.70**	**213.83**

21 FOLLOWING SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES HAVE BEEN CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS:

S.no.	Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power either directly or indirectly through subsidiary		Remarks
					As on March 31, 2020	As on March 31, 2019	
1	Apollo Tyres (Cyprus) Pvt Ltd	Subsidiary	Cyprus	Apollo Tyres Ltd.	-	-	Note (b)
2	Apollo Tyres (Greenfield) B.V.	Subsidiary	Netherlands	Apollo Tyres Ltd.	100%	100%	
3	Apollo Tyres Cooperatief U.A. (Apollo Coop)	Subsidiary	Netherlands	Apollo Tyres Ltd. and Apollo Tyres (Greenfield) B.V.	100%	100%	
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	Subsidiary	South Africa	Apollo Coop	100%	100%	
5	Apollo Tyres Africa (Pty) Ltd	Subsidiary	South Africa	ASHPL	100%	100%	
6	Apollo Tyres (Thailand) Limited	Subsidiary	Thailand	Apollo Coop	100%	100%	
7	Apollo Tyres (Middle East) FZE	Subsidiary	Dubai	Apollo Coop	100%	100%	
8	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	Subsidiary	Singapore	Apollo Coop	100%	100%	
9	ATL Singapore Pte Ltd.	Subsidiary	Singapore	ATHS	100%	100%	
10	Apollo Tyres (Malaysia) SDN BHD	Subsidiary	Malaysia	ATHS	100%	100%	
11	Apollo Tyres (UK) Pvt Ltd (ATUK)	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
12	Apollo Tyres (London) Pvt Ltd	Subsidiary	United Kingdom	ATUK	100%	100%	
13	Apollo Tyres Global R&D B.V.	Subsidiary	Netherlands	Apollo Coop	100%	100%	
14	Apollo Tyres (Germany) GmbH	Subsidiary	Germany	Apollo Coop	100%	100%	
15	Apollo Tyres AG	Subsidiary	Switzerland	Apollo Coop	100%	100%	
16	Apollo Tyres Do (Brasil) Ltda	Subsidiary	Brazil	Apollo Coop and ATBV	100%	100%	
17	Apollo Tyres B.V. (ATBV)	Subsidiary	Netherlands	Apollo Coop	100%	100%	
18	Apollo Tyres (Hungary) Kft. (ATH Kft)	Subsidiary	Hungary	ATBV	100%	100%	
19	Apollo Vredestein B.V. (AVBV)	Subsidiary	Netherlands	ATBV	100%	100%	
20	Apollo Vredestein GmbH (AV GmbH)	Subsidiary	Germany	AVBV	100%	100%	
21	Vredestein Marketing B.V. & Co. KG	Subsidiary	Germany	AV GmbH	-	-	Note (c)
22	Apollo Vredestein Nordic A.B.	Subsidiary	Sweden	AVBV	100%	100%	
23	Apollo Vredestein UK Limited	Subsidiary	United Kingdom	AVBV and Finlo B.V.	100%	100%	
24	Apollo Vredestein France SAS	Subsidiary	France	AVBV and Finlo B.V.	100%	100%	
25	Apollo Vredestein Belux	Subsidiary	Belgium	AVBV and Finlo B.V.	100%	100%	
26	Apollo Vredestein Gesellschaft m.b.H.	Subsidiary	Austria	AVBV	100%	100%	
27	Apollo Vredestein Schweiz AG	Subsidiary	Switzerland	AVBV	100%	100%	
28	Apollo Vredestein Italia Srl	Subsidiary	Italy	AVBV and Finlo B.V.	-	-	Note (b)
29	Apollo Vredestein Iberica SA	Subsidiary	Spain	AVBV	100%	100%	
30	Apollo Vredestein Tires Inc.	Subsidiary	USA	Apollo Coop	100%	100%	
31	Apollo Vredestein Kft (AV Kft)	Subsidiary	Hungary	AVBV	100%	100%	
32	S.C. Vredestein R.O. Srl	Subsidiary	Romania	AV Kft	-	100%	Note (a)
33	Apollo Vredestein Opony Polska Sp. Z.o.o.	Subsidiary	Poland	AVBV and AV GmbH	100%	100%	
34	Vredestein Consulting B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
35	Finlo B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
36	Vredestein Marketing B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
37	Reifencom GmbH, Bielefeld (now Reifencom GmbH, Hannover)	Subsidiary	Germany	Apollo Coop	100%	100%	Note (d)
38	Reifencom GmbH, Hannover	Subsidiary	Germany	Reifencom GmbH, Bielefeld	-	-	Note (d)
39	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover	Subsidiary	Germany	Reifencom GmbH, Bielefeld and Reifencom GmbH, Hannover	-	-	Note (d)

S.no.	Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power either directly or indirectly through subsidiary		Remarks
					As on March 31, 2020	As on March 31, 2019	
40	Reifencom Tyre (Qingdao) Co., Ltd.	Subsidiary	China	Reifencom GmbH, Hannover	100%	100%	Note (e)
41	Saturn F1 Pvt Ltd	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
42	Retail Distribution Holding B.V.	Subsidiary	Netherlands	Apollo Coop	-	-	Note (b)
43	Rubber Research LLC	Subsidiary	USA	Apollo Coop	-	100%	Note (a)
44	Pan Aridus LLC	Joint Venture	USA	ATHS	50.00%	50.00%	Note (f)
45	Pressurerite (Pty) Limited	Associate	South Africa	ASHPL	-	28.00%	Note (g)
46	KT Telematic Solutions Private Limited	Associate	India	Apollo Tyres Ltd.	25.00%	25.00%	Note (h)

Notes

(a) Liquidated during the year.

(b) Liquidated during the previous year.

(c) Merged with Apollo Vredestein GmbH during the previous year.

(d) During the previous year, Reifencom GmbH, Hannover (RCH), a wholly owned step down subsidiary was merged into its parent company, Reifencom GmbH, Bielefeld (RCB) w.e.f. August 16, 2018. Pursuant to the merger, the name of RCB was changed to Reifencom GmbH, Hannover. Also, Reifencom Einkaufsgesellschaft GmbH & Co. OHG, Hannover (equally owned by RCH and RCB) was merged with RCB.

(e) Subsequent to the merger as per (d) above, Reifencom Tyre (Qingdao) Co., Ltd. became a wholly owned subsidiary of Reifencom GmbH, Bielefeld (now Reifencom GmbH, Hannover).

(f) 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.

(g) The investment in Pressurerite (Pty) Ltd, an associate of ASHPL, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 *Investments in Associates and Joint Ventures.* The Group does not have any further obligations to satisfy with regard to this associate.

Apollo (South Africa) Holdings (Pty) Ltd has executed a sale of shares agreement with Tacoma Foods (Pty) Ltd to sell its entire stake in Pressurerite (Pty) Limited effective from May 31, 2019. Pressurerite (Pty) Limited was not an associate of Apollo (South Africa) Holdings (Pty) Ltd as on March 31, 2020.

(h) Became an associate of the Company w.e.f. February 21, 2018. As on March 31, 2020, the Company has invested ₹ 45.01 million in the said associate.

22 DISCLOSURE OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 *RELATED PARTY DISCLOSURES*

i) Name of the related parties

Particulars	2019-20	2018-19
Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International Trading LLC, Middle East	Apollo International Trading LLC, Middle East
	Apollo International FZC	Apollo International FZC
	Landmark Farms & Housing Pvt. Ltd.	Landmark Farms & Housing Pvt. Ltd.
	Sunlife Tradelinks (P) Ltd.	Sunlife Tradelinks (P) Ltd.
	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	Classic Auto Tubes Ltd.
	PTL Enterprises Ltd.	PTL Enterprises Ltd.
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Shardul Amarchand Mangaldas & Co.	Shardul Amarchand Mangaldas & Co.
	Regent Properties	Regent Properties
	Milers Global Pvt. Ltd.	Milers Global Pvt. Ltd.
Associates	Pressurerite (Pty) Ltd.	Pressurerite (Pty) Ltd.
	KT Telematic Solutions Private Limited	KT Telematic Solutions Private Limited
Joint venture	Pan Aridus LLC	Pan Aridus LLC
Key management personnel	Mr. Onkar S. Kanwar	Mr. Onkar S. Kanwar
	Mr. Neeraj Kanwar	Mr. Neeraj Kanwar
	Mr. Satish Sharma **	N.A.
	Mr. Akshay Chudasama	Mr. Akshay Chudasama
	N.A.	Mr. A.K. Purwar
	Gen. Bikram Singh (Retd.)	Gen. Bikram Singh (Retd.)
	Mr. Francesco Gori	Mr. Francesco Gori
	Mr. Nimesh N. Kampani *	Mr. Nimesh N. Kampani
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz

Particulars	2019-20	2018-19
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	Dr. S. Narayan *	Dr. S. Narayan
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Ms. Anjali Bansal	Ms. Anjali Bansal
	N.A.	Dr. M Beena

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 director during the year
** Appointed during the year

ii) Transactions and balances with related parties

a) Companies in which directors are interested

₹ Million

Particulars	FY 2019-20	FY 2018-19
Description of transactions:		
Sales: finished goods		
Apollo International Trading LLC, Middle East	2.94	39.53
Apollo International Limited	13.39	631.97
Apollo International FZC	660.04	24.63
	676.37	**696.13**
Sales: raw materials		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	390.72	1,200.93
Cross charge of management & other expenses received:		
PTL Enterprises Ltd.	0.85	0.85
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1.69	1.69
Artemis Medicare Services Ltd.	-	0.60
	2.54	**3.14**
Rent received:		
PTL Enterprises Ltd.	0.39	0.37
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1.06	1.06
	1.45	**1.43**
Reimbursement of expenses received:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	10.04	12.40
PTL Enterprises Ltd.	-	0.82
	10.04	**13.22**
Freight & Insurance recovered:		
Apollo International Ltd. FZC	0.04	-
Purchases of stock in trade:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	3,171.61	3,268.10
Purchase of assets:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	1,326.08	775.53
Artemis Medicare Services Ltd.	59.63	43.78
	1,385.71	**819.31**
Legal and professional charges paid:		
Shardul Amarchand Mangaldas & Co.	3.00	8.81
Reimbursement of expenses paid:		
PTL Enterprises Ltd.	645.64	691.93
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	7.80	6.84
Milers Global Pvt. Ltd.	-	0.43

₹ Million

Particulars	FY 2019-20	FY 2018-19
	653.44	**699.20**
Payment for services received:		
Artemis Medicare Services Ltd.	20.78	21.32
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	9.91	-
	30.69	**21.32**
Lease rent paid:		
PTL Enterprises Ltd.	600.00	600.00
Rent paid:		
Sunlife Tradelinks (P) Ltd.	30.99	27.62
Landmark Farms & Housing Pvt. Ltd.	-	19.80
Regent Properties	23.76	23.76
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	0.12	0.12
Milers Global Pvt. Ltd.	-	2.25
	54.87	**73.55**
Conversion charges paid:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	-	273.18
Mixing charges paid:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	143.44	294.13
Refund of security deposits given:		
Landmark Farms & Housing Pvt. Ltd.	-	6.00
Milers Global Pvt. Ltd.	-	0.75
	-	**6.75**
Amount outstanding:		
Other non-current financial assets*:		
PTL Enterprises Ltd.	600.00	600.00
Sunlife Tradelinks (P) Ltd.	5.86	5.86
Regent Properties	5.40	5.40
	611.26	**611.26**
Other non-current assets:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	666.12	956.30
Other current assets:		
PTL Enterprises Ltd.	65.79	42.51
Apollo International Limited	3.02	0.67
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	90.03	97.24
Artemis Medicare Services Ltd.	-	0.71
	158.84	**141.13**
Trade payable:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	415.63	411.66
Artemis Medicare Services Ltd.	4.90	-
	420.53	**411.66**
Other current financial liabilities:		
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	190.84	349.39
Apollo International Limited	0.52	0.52
Apollo International Trading LLC	-	8.73
Apollo International FZC	56.23	35.36
	247.59	**394.00**

b) Associates

₹ Million

Particulars	FY 2019-20	FY 2018-19
Investments made:		
KT Telematic Solutions Private Limited	-	22.51

c) Key management personnel (KMP)

₹ Million

Particulars	FY 2019-20	FY 2018-19
Managerial remuneration:		
Mr. Onkar S. Kanwar	232.55	402.51
Mr. Neeraj Kanwar	203.48	352.23
Mr. Satish Sharma	58.14	-
	494.17	**754.74**
Sitting fees:		
Non-executive directors	**8.05**	**10.25**
Commission:		
Non-executive directors	**40.00**	**60.00**

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.

23 SEGMENTAL REPORTING

The Group's operations comprise only one business segment – Automobile Tyres, Automobile Tubes & Automobile Flaps in the context of reporting business / geographical segment as required under Ind AS 108 - *Operating Segments*.

Based on the "management approach" as defined in Ind AS 108 - *Operating Segments*, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segment. Accordingly, information has been presented along these business segments which have been defined based on the geographical presence of various entities:

a) APMEA (Asia Pacific, Middle East and Africa)

b) Europe

c) Others

APMEA segment includes manufacturing and sales operation through India and include entities in UAE, Thailand, Malaysia and South Africa. Europe segment includes manufacturing and sales operation through the entities in Europe. Others segment includes sales operations in Americas and all other corporate entities.

The accounting principles used in the preparation of the consolidated financial statements are consistently applied in individual segment to prepare segment reporting.

₹ Million

Particulars	APMEA		Europe		Others		Eliminations		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. REVENUE										
Total revenue	112,554.86	125,272.71	52,505.33	52,729.21	25,780.88	35,832.44	(27,571.12)	(38,345.93)	163,269.95	175,488.43
Inter segment revenue	(1,944.40)	(2,454.32)	(1,082.61)	(1,224.70)	(24,544.11)	(34,666.91)	27,571.12	38,345.93	-	-
External revenue	**110,610.46**	**122,818.39**	**51,422.72**	**51,504.51**	**1,236.77**	**1,165.53**	**-**	**-**	**163,269.95**	**175,488.43**
2. RESULT										
Segment result	8,000.10	11,447.75	(571.37)	289.01	813.98	1,066.63	-	(112.56)	8,242.71	12,690.83
Interest expense	(2,261.97)	(1,379.69)	(437.31)	(325.68)	(109.05)	(231.09)	-	125.76	(2,808.33)	(1,810.70)
Share of profit / (loss) in associates / joint venture	(0.01)	1.16	-	-	-	-	-	-	(0.01)	1.16
Exceptional items	-	(2,000.00)	-	-	-	-	-	-	-	(2,000.00)
Income taxes	(765.04)	(2,119.75)	233.85	243.00	(139.23)	(199.44)	-	(6.70)	(670.42)	(2,082.89)
Net profit after tax	**4,973.08**	**5,949.47**	**(774.83)**	**206.33**	**565.70**	**636.10**	**-**	**6.50**	**4,763.95**	**6,798.40**
3. OTHER INFORMATION										
Depreciation and amortisation	6,248.48	4,475.99	4,704.80	3,444.09	427.90	206.63	-	-	11,381.18	8,126.71

₹ Million

Particulars	APMEA		Europe		Others		Eliminations		Total	
	As on March 31, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019
Segment assets	142,101.53	115,241.43	86,723.27	84,768.14	11,006.68	10,049.46	(7,331.61)	(8,025.06)	232,499.87	202,033.97
Segment liabilities	88,596.59	60,584.22	45,733.30	43,784.50	6,047.10	5,140.41	(7,177.26)	(7,873.35)	133,199.73	101,635.78
Capital employed	53,504.94	54,657.21	40,989.97	40,983.64	4,959.58	4,909.05	(154.35)	(151.71)	99,300.14	100,398.19
Non-current assets*	109,343.66	77,565.26	60,718.45	59,021.19	2,386.76	1,710.78	-	-	172,448.87	138,297.23

*Non-current assets consists of property, plant and equipment, other intangible assets, capital work-in-progress, intangible assets under development and capital advances.

Information about major customers

None of the individual customer accounted for more than 10% of the consolidated revenue for the years ended March 31, 2020 and March 31, 2019.

24 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE ACT

S.No	Name of the entity	Net assets as on March 31, 2020		Share in profit or loss for the year ended March 31, 2020		Share in other comprehensive income for the year ended March 31, 2020		Share in total comprehensive income for the year ended March 31, 2020	
		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	₹ Million
	Company								
1	Apollo Tyres Limited	77.46	76,921.47	106.77	5,086.24	17.15	(266.15)	150.06	4,820.09
	Foreign subsidiaries								
2	Apollo Tyres (Greenfield) B.V.	0.02	23.90	0.01	0.62	-	-	0.02	0.62
3	Apollo Tyres Cooperatief U.A. & Others (refer Note 1 below)	169.47	168,283.02	(2.51)	(119.48)	8.13	(126.21)	(7.65)	(245.69)
	Indian associate								
4	KT Telematic Solutions Private Limited	0.01	13.35	(0.00)	(0.01)	-	-	(0.00)	(0.01)
	Foreign associate								
5	Pressurerite (Pty) Limited	-	-	-	-	-	-	-	-
	Foreign joint venture								
6	Pan Aridus LLC	-	-	-	-	-	-	-	-
7	Add / (Less): Effect of IND AS adjustments / eliminations arising out of consolidation	(146.96)	(145,941.60)	(4.27)	(203.42)	74.72	(1,159.41)	(42.43)	(1,362.83)
	Total	**100.00**	**99,300.14**	**100.00**	**4,763.95**	**100.00**	**(1,551.77)**	**100.00**	**3,212.18**

Note 1 Apollo Tyres Cooperatief U.A. and Others:

₹ Million

S.No	Name of the entity	Net assets as on March 31, 2020	Share in profit or loss for the year ended March 31, 2020	Share in other comprehensive income for the year ended March 31, 2020	Share in total comprehensive income for the year ended March 31, 2020
1	Apollo Tyres Cooperatief U.A. (Apollo Coop)	60,086.74	1,162.53	-	1,162.53
2	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	276.40	0.49	-	0.49
3	Apollo Tyres Africa (Pty) Ltd	85.16	(26.86)	-	(26.86)
4	Apollo Tyres (Thailand) Limited	232.10	(59.94)	-	(59.94)
5	Apollo Tyres (Middle East) FZE	215.57	36.39	-	36.39
6	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	1,766.24	504.10	-	504.10
7	ATL Singapore Pte Ltd.	256.36	(83.33)	-	(83.33)
8	Apollo Tyres (Malaysia) SDN BHD	24.70	(31.40)	-	(31.40)
9	Apollo Tyres (UK) Pvt Ltd (ATUK)	1,734.22	44.73	-	44.73
10	Apollo Tyres (London) Pvt Ltd	980.20	-	-	-
11	Apollo Tyres Global R&D B.V.	1,135.97	216.51	-	216.51
12	Apollo Tyres (Germany) GmbH	57.32	19.98	-	19.98
13	Apollo Tyres AG	308.18	89.67	-	89.67
14	Apollo Tyres Do (Brasil) Ltda	(4.85)	(8.71)	-	(8.71)
15	Apollo Tyres B.V. (ATBV)	42,717.69	(1,027.96)	-	(1,027.96)
16	Apollo Tyres (Hungary) Kft. (ATH Kft)	33,904.51	997.08	-	997.08
17	Apollo Vredestein B.V. (AVBV)	19,152.87	(1,612.66)	-	(1,612.66)
18	Apollo Vredestein GmbH (AV GmbH)	3,558.74	(207.61)	(116.62)	(324.23)
19	Apollo Vredestein Nordic A.B.	94.50	11.98	-	11.98
20	Apollo Vredestein UK Limited	214.46	23.70	-	23.70
21	Apollo Vredestein France SAS	135.74	14.58	-	14.58
22	Apollo Vredestein Belux	67.16	12.18	-	12.18
23	Apollo Vredestein Gesellschaft m.b.H.	(20.30)	18.72	-	18.72
24	Apollo Vredestein Schweiz AG	267.41	11.98	-	11.98

₹ Million

S.No	Name of the entity	Net assets as on March 31, 2020	Share in profit or loss for the year ended March 31, 2020	Share in other comprehensive income for the year ended March 31, 2020	Share in total comprehensive income for the year ended March 31, 2020
25	Apollo Vredestein Iberica SA	429.16	8.38	-	8.38
26	Apollo Vredestein Tires Inc.	(88.95)	(207.16)	-	(207.16)
27	Apollo Vredestein Kft (AV Kft)	19.09	5.81	-	5.81
28	S.C. Vredestein R.O. Srl	-	-	-	-
29	Apollo Vredestein Opony Polska Sp. Z.o.o.	154.19	6.10	-	6.10
30	Vredestein Consulting B.V.	265.52	4.56	-	4.56
31	Finlo B.V.	(18.70)	-	-	-
32	Vredestein Marketing B.V.	4.84	2.62	-	2.62
33	Reifencom GmbH, Bielefeld (now Reifencom GmbH, Hannover)	201.15	(24.08)	(9.59)	(33.67)
34	Reifencom Tyre (Qingdao) Co., Ltd.	(0.51)	0.63	-	0.63
35	Saturn F1 Pvt Ltd	70.14	(22.49)	-	(22.49)
36	Rubber Research LLC	-	-	-	-
Total		**168,283.02**	**(119.48)**	**(126.21)**	**(245.69)**

25 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 consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

26 EVENTS AFTER THE BALANCE SHEET DATE

During the current year, the Company has entered into an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS through its Extraordinary General Meeting held on March 23, 2020. Subsequent to year end, the Company has allotted 54,000,000 CCPS (Tranche 1) and the balance 54,000,000 CCPS (Tranche 2) will be issued on or before October 7, 2020.

27 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

28 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Effective April 1, 2017, the Group adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure are presented below:

₹ Million

Particulars	As on April 01, 2019	Cash flows	Non cash changes				As on March 31, 2020
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	45,560.86	5,396.04	2,403.78	-	-	(41.79)	53,318.89
Current borrowings	5,546.72	8,585.03	188.26	-	-	-	14,320.01
Lease liability	10,966.78	(2,595.62)	280.21	555.28	1,073.44	(70.45)	10,209.64

₹ Million

Particulars	As on April 01, 2018	Cash flows	Non cash changes: Foreign exchange movement*	Non cash changes: Interest expense	Non cash changes: New leases	Non cash changes: Others	As on March 31, 2019
Non-current borrowings (including current maturities)	39,156.96	6,809.74	(422.88)	-	-	17.04	45,560.86
Current borrowings	9,175.61	(3,726.35)	97.46	-	-	-	5,546.72

* Foreign exchange movement for the Company is covered by derivative instrument and includes currency translation impact for subsidiaries arising out of consolidation.

29 Effective April 01, 2018, the Group has adopted Ind AS 115 " Revenue from Contracts with Customers" using the cumulative effect. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the consolidated financial statements of the Group.

The Group's revenue disaggregated by geographical markets has been disclosed in note C23.

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Group does not have any open contract for which the expected duration is more than one year as at the reporting period.

Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price

₹ Million

Particulars	2019-20	2018-19
Revenue as per contracted price (as invoiced)	168,700.57	179,552.46
Reduction towards variable consideration components	(7,735.66)	(6,818.54)
Revenue from contract with customers	**160,964.91**	**172,733.92**

30 EARNINGS PER SHARE (EPS) – THE NUMERATOR AND DENOMINATOR USED TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE:

Particulars	2019-20	2018-19
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	4,763.95	6,798.40
The weighted average number of equity shares outstanding during the year used as denominator - (B)	572,049,980	572,049,980
Basic / Diluted earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	8.33	11.88

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

FORM AOC 1

(pursuant to first proviso to sub section (3) of sec. 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate / joint venture

Part A: Subsidiaries

₹ Million

S. No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as on 31.03.2020	As on March 31, 2020					Year ended March 31, 2020			
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	Turnover (including other income)	Profit before tax	Tax expense	Profit after tax
1	Apollo Tyres (Greenfield) B.V.	June 4, 2014	EURO	83.11	2.99	20.91	24.14	0.24	-	0.48	(0.69)	(1.31)	0.62
2	Apollo Tyres Cooperatief U.A. (Apollo Coop)	May 1, 2009	EURO	83.11	25,444.93	34,641.81	66,087.87	6,001.13	73.75	1,209.44	1,151.04	(11.49)	1,162.53
3	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	September 29, 2006	ZAR	4.22	-	276.40	276.40	-	-	-	0.61	0.12	0.49
4	Apollo Tyres Africa (Pty) Ltd	July 29, 2013	ZAR	4.22	1,687.20	(1,602.04)	628.69	543.53	-	1,437.50	(26.86)	-	(26.86)
5	Apollo Tyres (Thailand) Limited	January 22, 2013	THB	2.30	230.05	2.05	719.87	487.77	-	2,459.13	(59.94)	-	(59.94)
6	Apollo Tyres (Middle East) FZE	January 2, 2011	AED	20.51	41.03	174.54	797.22	581.65	-	3,366.80	36.39	-	36.39
7	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	September 8, 2010	USD	75.34	987.76	778.48	6,687.23	4,920.99	-	24,760.88	567.98	63.88	504.10
8	ATL Singapore Pte Ltd.	May 11, 2017	USD	75.34	376.72	(120.36)	296.38	40.02	-	3.91	(83.33)	-	(83.33)
9	Apollo Tyres (Malaysia) SDN BHD	March 15, 2016	MYR	17.46	113.22	(88.52)	199.64	174.94	-	544.33	(33.86)	(2.46)	(31.40)
10	Apollo Tyres (UK) Pvt Ltd (ATUK)	March 16, 2012	GBP	93.59	1.73	1,732.49	1,979.26	245.04	-	1,379.29	71.58	26.85	44.73
11	Apollo Tyres (London) Pvt Ltd	December 12, 2014	GBP	93.59	0.09	980.11	983.32	3.12	-	-	-	-	-
12	Apollo Tyres Global R&D B.V.	January 2, 2013	EURO	83.11	0.01	1,135.96	2,076.87	940.90	-	2,868.93	265.96	49.45	216.51
13	Apollo Tyres (Germany) GmbH	November 11, 2015	EURO	83.11	2.08	55.24	158.57	101.25	-	341.62	28.37	8.39	19.98
14	Apollo Tyres AG	July 4, 2007	CHF	78.37	293.77	14.41	312.93	4.75	-	229.49	90.01	0.34	89.67
15	Apollo Tyres Do (Brasil) Ltda	September 15, 2011	BRL	14.47	11.43	(16.28)	20.37	25.22	-	-	(8.71)	-	(8.71)
16	Apollo Tyres B.V. (ATBV)	March 2, 2012	EURO	83.11	1.50	42,716.19	57,464.65	14,746.96	-	-	(1,094.69)	(66.73)	(1,027.96)
17	Apollo Tyres (Hungary) Kft. (ATH Kft)	June 4, 2014	HUF	0.23	25.92	33,878.59	40,537.57	6,633.06	-	11,909.65	1,006.14	9.06	997.08
18	Apollo Vredestein B.V. (AVBV)	May 15, 2009	EURO	83.11	3.57	19,149.30	35,880.26	16,727.39	-	36,875.35	(2,004.98)	(392.32)	(1,612.66)
19	Apollo Vredestein GmbH (AV GmbH)	May 15, 2009	EURO	83.11	42.55	3,516.19	5,099.38	1,540.64	-	9,971.14	(240.80)	(33.19)	(207.61)
20	Apollo Vredestein Nordic A.B.	May 15, 2009	SEK	7.60	7.22	87.28	501.50	407.00	-	1,016.27	15.89	3.91	11.98
21	Apollo Vredestein UK Limited	May 15, 2009	GBP	93.59	93.68	120.78	418.59	204.13	-	1,862.35	29.66	5.96	23.70
22	Apollo Vredestein France SAS	May 15, 2009	EURO	83.11	3.49	132.25	671.56	535.82	-	2,308.48	21.75	7.17	14.58
23	Apollo Vredestein Belux	May 15, 2009	EURO	83.11	5.15	62.01	394.63	327.47	-	2,233.27	25.12	12.94	12.18
24	Apollo Vredestein Gesellschaft m.b.H.	May 15, 2009	EURO	83.11	3.02	(23.32)	840.97	861.27	-	2,279.37	19.98	1.26	18.72
25	Apollo Vredestein Schweiz AG	May 15, 2009	CHF	78.37	176.32	91.09	312.39	44.98	-	1,067.95	14.15	2.17	11.98

₹ Million

S. No	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Reporting currency	Exchange rate as on 31.03.2020	As on March 31, 2020					Year ended March 31, 2020			
					Share capital	Reserves & surplus	Total assets	Total liabilities	Investment (other than in subsidiary)	Turnover (including other income)	Profit before tax	Tax expense	Profit after tax
26	Apollo Vredestein Iberica SA	May 15, 2009	EURO	83.11	257.75	171.41	532.35	103.19	-	1,458.20	19.66	11.28	8.38
27	Apollo Vredestein Tires Inc.	May 15, 2009	USD	75.34	847.61	(936.56)	256.87	345.82	-	1,236.77	(206.98)	0.18	(207.16)
28	Apollo Vredestein Kft (AV Kft)	May 15, 2009	HUF	0.23	0.69	18.40	384.15	365.06	-	843.68	7.33	1.52	5.81
29	S.C. Vredestein R.O. Srl	August 18, 2010	EURO	83.11	-	-	-	-	-	-	-	-	-
30	Apollo Vredestein Opony Polska Sp. Z.o.o.	May 15, 2009	PLN	18.26	0.91	153.28	728.60	574.41	-	1,009.56	11.97	5.87	6.10
31	Vredestein Consulting B.V.	May 15, 2009	EURO	83.11	1.89	263.63	277.06	11.54	-	(6.65)	6.50	1.94	4.56
32	Finlo B.V.	May 15, 2009	EURO	83.11	0.75	(19.45)	-	18.70	-	-	-	-	-
33	Vredestein Marketing B.V.	May 15, 2009	EURO	83.11	2.08	2.76	4.84	-	-	3.09	3.09	0.47	2.62
34	Reifencom GmbH, Bielefeld (now Reifencom GmbH, Hannover)	January 1, 2016	EURO	83.11	62.33	138.82	3,910.74	3,709.59	-	12,973.48	6.60	30.68	(24.08)
35	Reifencom Tyre (Qingdao) Co., Ltd.	January 1, 2016	CNY	10.64	5.25	(5.76)	0.86	1.37	-	1.14	0.63	-	0.63
36	Saturn F1 Pvt Ltd	September 16, 2016	GBP	93.59	190.68	(120.54)	74.56	4.42	-	49.81	(24.54)	(2.05)	(22.49)
37	Rubber Research LLC	February 16, 2017	USD	75.34	-	-	-	-	-	-	-	-	-

Note 1 Name of subsidiaries which are yet to commence operations/non-operating - Finlo B.V.

Note 2 For details of shareholding and name of subsidiaries which have been liquidated/sold/merged during the year, refer note C21.

Note 3 Financial period for all the subsidiaries is April to March.

Note 4 Details of proposed dividend by subsidiaries as on March 31, 2020:

Name	₹ Million
Apollo Tyres Global R&D B.V.	415.56
Apollo Tyres (Germany) GmbH	83.11

Part B: Joint Venture & Associates

1	**Name of the Associate**	KT Telematic Solutions Private Limited
2	**Latest Balance Sheet date**	March 31, 2020
3	**Shares of associate entity held by the company at the year end**	
	No.	3,334
	Extent of Holding %	25%
	Amount of Investment in associate entity (₹ Million)	45.01
4	**Description of how there is significant influence**	Refer note 1 below
5	**Reason why the associate is not consolidated**	Not applicable
6	**Net worth attributable to Shareholding as per latest Balance Sheet (₹ Million)**	13.35
7	**Profit / (Loss) for the year**	
	i. Considered in Consolidation (₹ Million)	(0.01)
	ii. Not Considered in Consolidation (₹ Million)	(0.04)

Note 1 By virtue of significant influence in certain business decisions under an agreement, KT Telematic Solutions Private Limited had become an associate of the Company w.e.f. February 21, 2018.

Note 2 For details of investment in joint venture (Pan Aridus LLC) and an another associate (Pressurerite (Pty) Ltd), refer note C21.

Note 3 **Name of associates or joint ventures which are yet to commence operations**

None

Note 4 **Name of associates or joint ventures which have been liquidated or sold during the year**

Refer note C21

For and on behalf of the Board of Directors

ONKAR S. KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No- FCS 6690

New Delhi
May 19, 2020

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apollo
Fight the sludge with
RAIN READY TYRES

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/Concept, content and design at AICL (hello@aicl.in)

ANNEXURE A

APOLLO TYRES LTD.

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, 2020

	Name	Designation	Qualification	D.O.J.	Age	Exp.	Remuneration	Previous Employment	Last Designation
Employed throughout the year							(₹ Million)		
1	Mr. Aneet Chaku	Head - Customer Service (APMEA)	Executive Program in Mgmt, BBH(HM)	September 8, 2015	50	29	13.25	Vodafone India Ltd.	AVP-Quality
2	Mr. Anil Chopra	Group Head - Corporate Accounts	B.Com, A.C.A.	August 18, 1992	65	39	23.51	Altos India Ltd.	Manager - Finance
3	Mr. Davendra Mittal	Head - Finance	MBA, BE	March 21, 2013	51	26	12.03	Lanco Infratech Ltd.	Sr. Vice President - Projects Finance
4	Mr. Gaurav Kumar	Chief Financial Officer	B.Tech., MBA	March 1, 2004	50	27	47.15	HCL Technologies Ltd.	AVP - Mergers & Acquisitions
5	Mr. George Oommen	Unit Head - Perambra Plant	BE	August 30, 2007	58	35	10.63	Carborundum Universal Ltd.	Asst. General Manager
6	Mr. Harish Bahadur	Head - Corporate Investments	B.Com (H)	February 2, 1975	67	45	30.07	-	-
7	Ms. Harshita Pande	Group Head - HR (APMEA)	M.Sc.(Sustainability), Dip. In CSR	March 18, 2002	53	27	12.51	Discovery Communications India	Associate Director
8	Mr. K. Prabhakar	Chief - Projects	B.Tech., PGD Ind. Engg. ICWA	March 1, 2019	65	39	32.13	Apollo Tyres (Hungary) KFT	Managing Director
9	Mr. Kok Heong Lim	Divisional Head - TBR	B. Tech	December 21, 2015	55	28	11.03	PT Gajah Tunggal Tbk, Indonesia	Senior Manager
10	Ms. Leenaja EM Janardanan Nambiar	Head - Controlling (Manufacturing & Projects)	CIMA	October 1, 2018	49	24	14.72	Apollo Tyres Global R&D B.V.	Head Manufacturing Controlling
11	Mr. Masatoshi Kawaguchi	Head - R&D (Process Technology)	BE	January 22, 2018	67	43	14.10	Bridgestone Corporation	Vice President, Technical Director
12	Mr. Neeraj Kanwar	Vice Chairman & Managing Director	B.Sc, ACMS	February 24, 1997	48	25	203.48	Apollo Finance Ltd.	Joint President
13	Mr. Onkar S. Kanwar	Chairman & Managing Director	B.Sc, Bach. of Admn.	February 1, 1988	78	59	232.55	Bst Manufacturing Ltd.	Managing Director
14	Mr. Piush Bansal	Unit Head - Limda Plant	BE (Mech.), PGDBM	August 20, 2013	54	34	19.06	Moser Bear India	Vice President
15	Mr. Praveen Tripathi	Group Head - Purchase	MBA , ICWA	October 15, 1990	50	30	14.07	-	-
16	Mr. Praveen Moon	Head - Internal Systems	CA, B. Com (H)	October 16, 2012	46	26	10.78	Price Water House Coopers Pvt. Ltd.	Associate Director
17	Mr. Prem Prakash Sharma	Head - HR - Limda Plant	PGDBM, PGDBA	July 30, 2013	56	33	11.25	India Yamaha Motor Pvt. Ltd.	Group Head - GA, Personal & HR
18	Mr. P. K. Mohamed	Chief Advisor - Research & Development	B.Sc, LPRI	February 19, 2001	79	56	32.50	Ceat Ltd.	Executive Director - Technical
19	Mr. Rajesh Dahiya	Vice President- Marketing & Sales (ISO)	B.Com, MBA	August 20, 1990	53	31	28.72	Indian Express	Business Executive
20	Mr. Ravi Kumar Shingari	Group Head - Corporate Taxation & Accounts	CA, B.Com (H)	September 28, 2018	41	20	17.14	KPMG	National Head - India Japan Corridor
21	Ms. Ritu Kumar	Group Head - Corporate Strategy & Legal	CA, CS	April 19, 2006	46	20	10.95	American Express	Team Leader
22	Mr. Rohit Arora	Group Head - Accounts (APMEA)	CA	September 19, 2000	48	26	15.63	ACC Ltd.	Asst. Manager - Accounts
23	Mr. Satish Sharma	President - APMEA and Whole-time Director	BE, PGDBM	October 15, 1997	53	31	58.14	Jk Industries Ltd.	Manager
24	Mr. S.K.P. Amarnath	Group Head - R&D (Asia)	B.Tech, B.Sc	February 21, 2000	51	28	14.55	Monotond Tyres Ltd.	Dy. Manager
25	Mr. Thomas Mathew C.	Unit Head - Chennai	BE/B.Tech, MBA	July 1, 1987	57	33	11.78	-	-
Employed part of the year									
1	Mr. E.K. Seelan Moses	Head - Projects (APMEA)	Diploma	June 17, 1991	59	39	6.56	MRF Ltd.	Officer
2	Mr. Hisashi Ishibashi	Head - Business Development (OE)	M.Tech (Mechanical)	January 1, 2020	60	35	3.91	Bridgestone Corporation	General Manager
3	Ms. Lisa Britt Zinn	Group Head - Global Business Services & IT	PG Diploma in Management	January 1, 2018	39	20	8.54	Apollo Tyres Global R&D B.V.	Head Corporate Business & IT
4	Mr. Rajesh Kumar Vyas	Head - Sales (OHT)	B.Com	October 11, 2010	56	35	9.61	Balkrishna Industries Ltd.	AVP Marketing
5	Mr. Vikram Kalele	Head - Utility	B.Tech	January 10, 1991	61	37	8.18	J.K. Tyres	Sr. Engineer
6	Mr. William Glen Earnheart JR	Head - Projects	M.Sc, B.Sc	December 1, 2018	61	35	7.30	Apollo Tyres (Hungary) KFT	Head of Engineering

Note :

1 None of the above is related to any Director of the Company except Mr. Onkar S. Kanwar & Mr. Neeraj Kanwar being father and son.

2 All appointments are contractual.

For and on behalf of the Board of Directors

Place: New Delhi

Date: May 19, 2020

ONKAR S. KANWAR

Chairman & Managing Director