

FORM A

1	Name of the Company	APOLLO TYRES LTD.
2	Annual Financial Statement for the year ended - Standalone - Consolidated -	31 ST MARCH, 2015
3	Type of Audit Observation	~~Nil~~ UNQUALIFIED
4	Frequency of Observation	Nil
5	To be signed by 1. Mr. Onkar S Kanwar, Managing Director 2. Mr. Gaurav Kumar Chief Financial Officer 3. Dr. S. Narayan, Chairman of the Audit Committee 4. Auditors of the Company	<u>Onkar S Kanwar</u> <u>Gaurav Kumar</u> <u>Dr. S. Narayan</u> REFER OUR AUDIT REPORT DATED MAY 12, 2015 ON STAND ALONE FINANCIAL STATEMENTS OF THE COMPANY For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS (Registration No. 008072S)

M.K. Ananthanarayanan
M.K. ANANTHANARAYANAN
PARTNER
MEMBERSHIP No. 19521

APOLLO TYRES LTD.



Regd. Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)
(CIN-L25111KL1972PLC002449) Tel: +91 484 2372767 Fax: +91 484 2370351, Email : investors@apolloytyres.com
Web: apolloytyres.com

NOTICE

NOTICE is hereby given that the 42nd Annual General Meeting of the members of **APOLLO TYRES LTD.** will be held as under: -

DAY : Tuesday
DATE : August 11, 2015
TIME : 10.00 A.M.
PLACE : Kerala Fine Arts Theatre,
Fine Arts Avenue,
Foreshore Road, Ernakulam,
Kochi (Kerala), India

to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, 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, 2015.
2. To declare dividend on equity shares.
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.
4. To ratify the appointment of the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S) which has been approved at the Annual General Meeting held on August 6, 2014 for a term of 3 years, i.e. from the conclusion of the 41st Annual General Meeting until the conclusion of the 44th Annual General Meeting, be and is hereby ratified for the financial year 2015-16 and the Board of Directors/Committee of the Board be and is hereby authorised to fix their remuneration plus travelling and other out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit under the Companies Act, 2013.

SPECIAL BUSINESS:

5. To ratify the payment of remuneration to the Cost Auditor for the financial year 2015-16 and in this regard to consider and if thought fit, to pass with or without modification(s), 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, Vadodara and Chennai as well as Company's leased operated plant at Kalamassery for the financial year 2015-16 be paid out a remuneration of Rs.2 lac per annum plus reimbursement of out of pocket expenses.

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

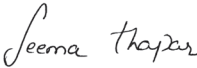
6. To pay commission to the Non-Executive Directors and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the provisions of the Articles of Association of the Company, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid and distributed among the directors of the Company (other than the managing director(s) and the whole-time director(s)) in such proportion and in such manner as may be decided by the Board of Directors and such payments shall be made with respect to the net profits of the Company for each year commencing from April 01, 2015."

Place: Gurgaon.

Dated: May 12, 2015.

By Order of the Board
For Apollo Tyres Ltd



(Seema Thapar)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is enclosed herewith.

2. Members/ Proxies should fill the Attendance Slip for attending the meeting and bring their Attendance Slip along with their copy of the annual report to the meeting.

3. The Register of Members and Share Transfer Books shall remain closed from August 6, 2015 to August 11, 2015 (both days inclusive) for payment of dividend on equity shares. The Dividend, as recommended by the Board of Directors, if declared at the meeting, will be paid, within 30 days from the date of declaration, to the members holding shares as on the record date i.e. August 5, 2015 on 509,024,770 equity shares of the Company. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.

4. 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.

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

6. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 am to 5.00 pm on any working day prior to the date of the meeting and will also be available at the meeting venue on the date of the meeting.

Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.

7. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the annual general meeting.

8. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least 10 (ten) days in advance of the annual general meeting.

9. 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 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.

10. 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.

11. 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.

12. Voting through Electronic Means

I. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, 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 for voting, through polling paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through polling paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The Instructions for e-voting are as under:

(A) In case of members' receiving e-mail from NSDL;

i) Open e-mail and PDF file viz. "ATL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for e-voting. Please note that the password is an initial password.

ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

iii) Click on Shareholder – Login

iv) Put user id and password as initial password in step (i) above. Click Login.

v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other personand take utmost care to keep your password confidential.

vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.

vii) Select "EVEN" of Apollo Tyres Ltd.

viii) Now you are ready for e-voting as Cast Vote page opens.

ix) Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.

x) Institutionalshareholders(i.e.otherthanindividuals,HUF,NRIetcarerequiredtosendscannedcopy(PDF/JPGFormat) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies)whoareauthorisedtovote,tothescrutinizerthroughe-mailtenrose@vsnl.comorinvestors@apolloytyres.com with a copy marked to evoting@nsdl.co.in.

(B) In case of members' receiving physical copy of the Notice of annual general meeting and attendance slip:

(i) Initial password is provided below the attendance slip.

(ii) Please follow all steps from Sl. No (ii) to (x) above, to cast vote.

- II. If you are already registered with NSDL for e-voting then you can use your existing user id and password for casting your vote.
- III. The e-voting period commences on August 8, 2015 (10:00 am) and ends on August 10, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 5, 2015, 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 shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of shareholders shall be as per the number of equity shares held by members as on the cut-off date of August 5, 2015.
- V. 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.
- VI. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizers 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.
- VII. The Results shall be declared by the Chairman or the person authorised by him in writing not later than three days of conclusion of the annual general meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.apollotyres.com and on the website of the NSDL immediately after the result is declared by the Chairman. Members may also note that the Notice of the 42nd annual general meeting and the Annual Report 2015 will be available on the Company's and NSDL website.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 5, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Mr Rajiv Ranjan, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. Email: evoting@nsdl.co.in or rajivr@nsdl.co.in, Toll free no- 1800-222-990. Members may also write to the Company Secretary at the email ID: investors@apolloytyres.com.
13. Electronic copy of the Annual Report and Notice of the 42nd annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 42nd annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof, as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to section 125 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956) on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

<u>Financial Year Ended</u>	<u>Due date of Transfer</u>
31.03.2008	17.09.2015
31.03.2009	22.09.2016
31.03.2010	28.09.2017
31.03.2011	15.10.2018
31.03.2012	13.10.2019
31.03.2013	06.10.2020
31.03.2014	05.10.2021

15. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form", available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
16. The Notice of annual general meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website (www.apollotyres.com) of the Company.
17. As per the provisions of clause 5A(II) of the Listing Agreement (SEBI circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010) the unclaimed/undelivered shares lying in possession of the Company had been dematerialised and transferred into an "Unclaimed Suspense Account". 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 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 long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
20. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking re-appointment at the annual general meeting, forms integral part of the notice. The concerned Director has furnished the requisite declarations for his re-appointment and his brief profile forms part of the explanatory statement.
21. Kindly register your email address and contact details with us, by writing to us addressed to the Secretarial Department at our corporate office, or at our e-mail ID: investors@apolloytyres.com. This will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.
22. The route map of the venue for the Annual General Meeting is attached herewith and also available on the website of the Company.
23. As per Section 118(10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting issued by Institute of Company Secretaries of India "No gifts, gift coupons or cash in lieu of gifts shall be distributed to member at or in connection with the meeting."

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

Item No. 5

The Board at its meeting held on May 12, 2015, 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, Vadodara and Chennai as well as Company's leased operated plant at Kalamassery for the financial year 2015-16 on remuneration of Rs.2 lac per annum plus reimbursement of out of pocket expenses.

As per Rule 14 of The Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditors which is recommended by the Audit Committee shall be considered and approved by the Board of Directors and subsequently ratified by the shareholders.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives is concerned or interested in the resolution.

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

Item No. 6

The resolution proposes to seek approval of members in accordance with Section 197 of the Companies Act, 2013 in order to continue payment of commission to non-executive Directors. The Board of Directors will determine each year, keeping in view the remuneration policy of the Company, the specific amount to be paid as commission to the non-executive directors, which shall not exceed 1% of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 2013.

The payment of commission would be in addition to the sitting fees payable for attending meetings of the Board and committees thereof, if any.

All non-executive Directors of the Company may be deemed interested in the resolution to the extent of commission payable to them in accordance with the proposed resolution.

None of the Key Managerial Personnel (KMPs) of the Company or their relatives is concerned or interested 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 CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

Item No. 3

Mr Sunam Sarkar, aged about 50 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 27 years 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 President and Chief Business Officer of our Company. He joined the Board of Directors of the Company in the year 2004.

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

- Apollo (South Africa) Holdings (Pty) Ltd
- Apollo Vredestein B.V and
- Apollo Tyres Holdings (Singapore) Pte Ltd

He is not holding any shares in the Company.

There is no inter-se relationship between Mr. Sunam Sarkar and other Directors.

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

Place: Gurgaon.
Dated: May 12, 2015.

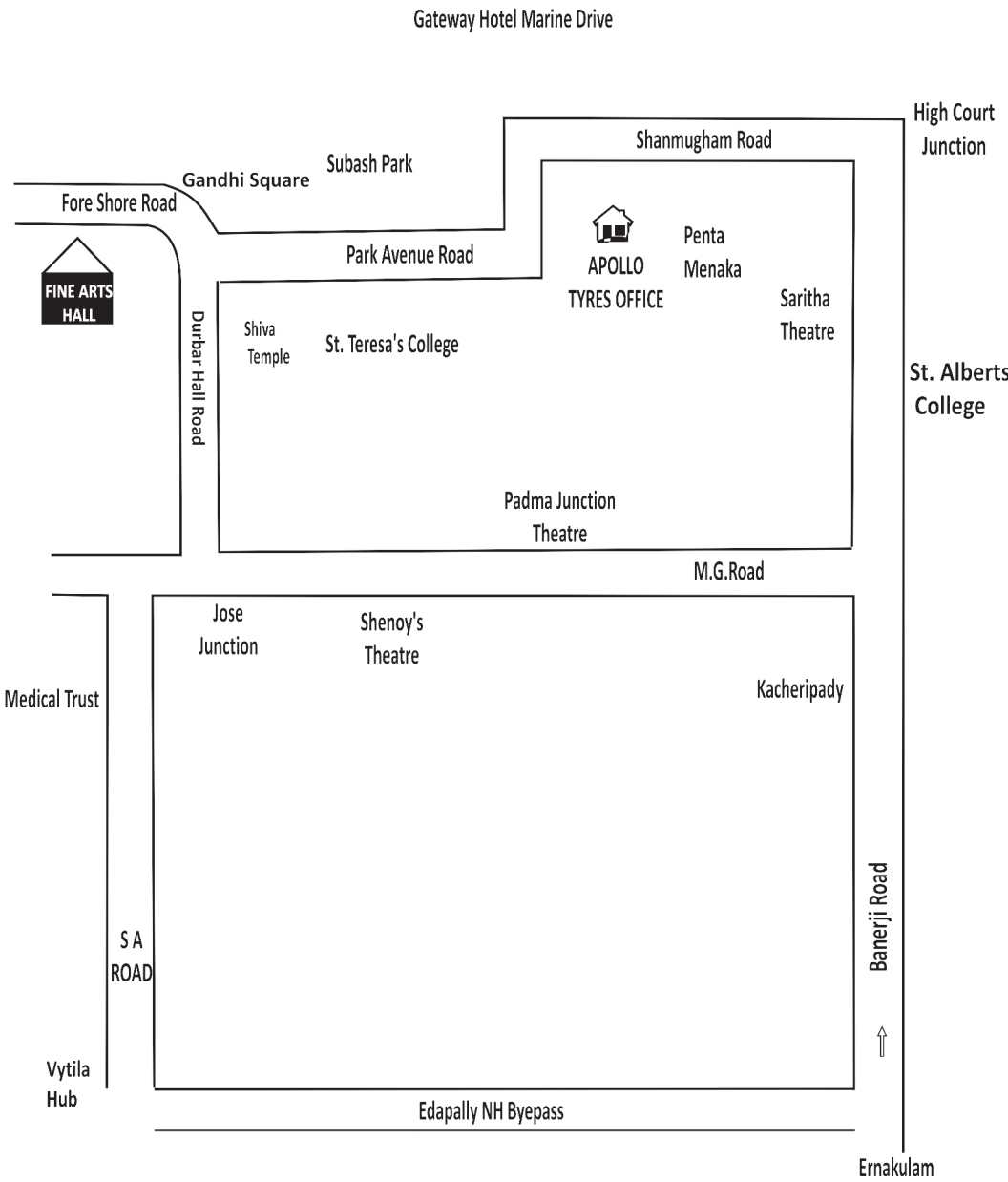
By Order of the Board
For Apollo Tyres Ltd

Seema Thapar
(Seema Thapar)
Company Secretary

Route Map to the Venue of the AGM



Kerala Fine Arts Theatre
Fine Arts Avenue
Foreshore Road
Kochi





Regd. Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)
(CIN-L25111KL1972PLC002449) Tel: +91 484 2372767 Fax: +91 484 2370351, Email : investors@apolloytyres.com
Web: apolloytyres.com



EXPLORE

The distance you travel, the path that you take,
the journey that you make.

Each route, each destination
is an important milestone that determines
where and how far you'll go.

At Apollo, we believe how far we have come
only shows us the way forward.

It reveals the goals that lie ahead,
the untraversed territories that beckon,
the newer paths that need to taken,
the greater world that is waiting to be explored.

Thus creating the road map of our future,
which is a culmination of each success,
each endeavor and every effort
that has dotted our journey so far.

CONTENT

CHAIRMAN'S MESSAGE	03
VICE CHAIRMAN'S MESSAGE	05
SUPERVISORY BOARD	08
MANAGEMENT BOARD	10
PERFORMANCE HIGHLIGHTS	12
MANAGEMENT DISCUSSION & ANALYSIS	19
SUSTAINABILITY	39
FINANCIALS	59
- DIRECTORS' REPORT	
- CORPORATE GOVERNANCE REPORT	
- STANDALONE ACCOUNTS	
- CONSOLIDATED ACCOUNTS	



CHAIRMAN’S MESSAGE

Dear Member,

It has been said that companies that build scale for the benefit of their customers and shareholders more often succeed over time. These are words which have always defined our guiding principles at Apollo, and have been in evidence this year too. The brave and determined steps we took this year have thrown up results already and are bound to have far-reaching consequences for the company.

We took a leaf out of the new government’s focus on changing the established order and brought this ethos into Apollo in the hope of creating a better future for ourselves. If we feel we deserve more, we need to be willing to fight for what should rightfully be ours. We realised that operations on a global scale could give us the leverage to manage increasingly consolidated customers on the one hand and ever-larger suppliers on the other. We saw that a balanced presence across the globe and varied product lines would be the best insulation from market cycles and short term product challenges.

This decision though was possible because of our faith in our team and you, our shareholders. It enabled us to put a global expansion strategy into action which would help us grow. It also saw us taking determined strides in making Apollo a global company with an Indian heart.

Today, thanks to the business decisions taken in the past year and the geographies we entered, I can proudly say that we have become a multi-cultural company. Globalisation has ensured that we transform into a company that searches and traverses the world, not just to sell or to source, but to find intellectual capital - the world’s best minds and greatest ideas. We have taken every step to induct new people who come from diverse cultures and geographies and ethnicities into the global Apollo family. It is because we have been able to successfully assimilate those from across the globe into the Apollo culture, that our performance is that much better. We have a clear vision that 60% of our business should be international, while the remaining 40% Indian.

There were a large number of milestones – and a few hurdles – which I would like to highlight. As Jack Welch said, an organisation’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.

We widened our global footprint by entering new markets. We made Thailand our ASEAN hub, while also entering new markets like Malaysia, Qatar and Jordan. Our company was commended for its

investments in increasing Apollo Vredestein capacity to 6.2 million tyres annually - up from 5.8 million tyres per annum. There was a significant increase in the capacity of Off Highway Tyres to 25 tonnes in Kalamassery plant in Kerala and there are plans to ramp up to 100 tonnes in the near future. We expanded our association with Manchester United to 66 countries. We successfully sold part of our African subsidiary to Sumitomo. Through the year, the one fact that has bolstered me and taken this company forward is that we are a sound company with a clear vision and with a team which can help us achieve that vision.

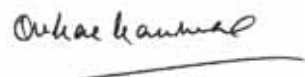
Much like India is racing towards taking its rightful place in the global economy, so is Apollo. We will once again go back to the years of sustained high growth in India, and Apollo will be at the forefront of that growth.

Our Social Responsibility and Sustainability efforts continue to win us laurels, because we undertake these with the same beliefs and conviction as we do our commercial activities. What makes us different from other companies is that we have made these efforts intrinsic to our commercial activity or strategy, and not something that we are forced to do by regulatory mandate.

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

Always remember that each employee, each person involved in this company in any small or large measure, has an ownership over this company. We are what we are because we stand together as a family. This would not have been possible without your support.

Yours sincerely,


Onkar S Kanwar
Chairman & Managing Director



VICE CHAIRMAN'S MESSAGE

Dear Member,

Fiscal 2014-15 was a year marked with frantic activity at Apollo Tyres. New Greenfield plant, international launches, high decibel brand campaign... I am sure as you read through the pages, you will see a small glimpse of the enthusiasm and exhilaration at the company.

Despite the ups and downs, the year was momentous and will be etched in the annals of Apollo Tyres. It was our decision to go ahead with our first Greenfield in Hungary, the first time that an Indian tyre company has ventured to set up a new plant outside the national boundaries. This 2nd manufacturing facility in Europe, the most demanding and exciting of tyre markets, is critical to further our growth in the continent. It will augment our capacity in the region and give us a stronger presence in Europe as we reach out to the OE players in the region. Importantly, it will help the company to narrow the gap for the growing demand for its two brands – Apollo and Vredestein, in Europe.

While the Greenfield plant in Hungary was the big news, our commitment to India continued. After the mega investment in the Chennai plant a few years back, we announced plans to ramp up the capacity for the second phase of growth for this plant. Similarly, we have drawn investment plans for our other plants to expand our off-highway tyres manufacturing capacity in Kerala.

Even as we scale our capacities across the two continents, we continued to focus on building our brands across our key markets. In India, our association with Manchester United is paying a rich dividend as it has raised the brand recognition several notches higher. Taking the sports partnership forward, we increased the scope of partnership during the year. Now the campaign, Performance – there are no shortcuts, is available in multiple markets. This has helped in raising the brand awareness in many other countries and made customers aware of our high performance brand. The past fiscal year also saw the launch of the co-brand Apollo Tyres-Manchester United tyres in UK and Thailand to an enthusiastic response.

A sharp focus on marketing coupled with continuing

investments in R&D is the mantra to Apollo's next level of growth. The company does not believe in a 'one size fits all' philosophy and it is important to provide products suiting to market requirements. R&D is providing the impetus to take forward this mindset. Our dedicated R&D centres for Passenger and Commercial vehicle tyres have sharpened our focus on various product categories and helped us launch new products that are in tune with customer needs. For example, last year, we launched a new cross ply technology based tyre, AWR-HD with the Apollo HDF technology, for the Indonesian market.

We continued to explore new geographies, new product categories and new customer segments to grow our business. We recognise that the world is evolving very rapidly and social media and e-commerce are changing traditional ways of doing business. We are alive to the realities of environmental and technological challenges. Our teams are working on all these areas to ensure that Apollo always remains at the forefront of innovation and keeps breaking new paths in customer experiences.

In the end, I believe that the company's success is based on people. All the above measures will be wasted if the right people are not at the helm. Last year was momentous in this sense as well. To further augment Apollo's fast paced growth journey, we created several key new positions worldwide. We expanded the management team and brought in top-notch talent across various functions including R&D, HR, Quality, etc. to bring a new perspective to the organisation.

I am sure these investments and changes will fuel our growth in the years ahead. I will certainly continue to share details and update you on an annual basis of this fantastic journey as we race ahead to the next chapter of the company's story.

With best regards,

Neeraj Kanwar
Vice Chairman & Managing Director

EXPLORE A

Explore a different possibility

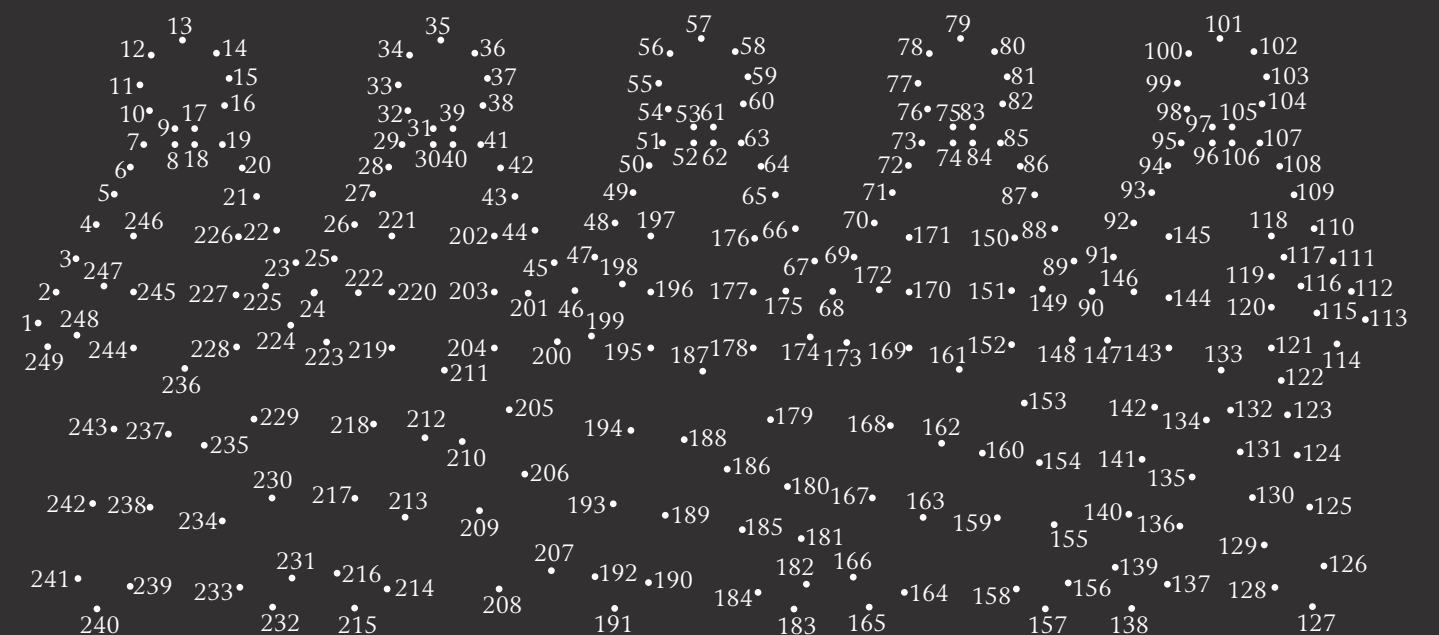
A sense of community.

A dedication to teamwork.

A respect for our fellow workers.

The more we focus on these values,

the stronger we become.



DIFFERENT POSSIBILITY

SUPERVISORY BOARD



(Standing L-R): ■ Sunam Sarkar, President, Chief Business Officer & Whole-time Director ■ Neeraj Kanwar, Vice Chairman & Managing Director ■ Akshay Chudasama, Partner, J Sagar Associates ■ A K Purwar, Former Chairman, State Bank of India ■ Onkar S Kanwar, Chairman & Managing Director ■ Nimesh N Kampani, Chairman, JM Financial Group

(Sitting L-R): ■ Pallavi Shroff, Managing Partner, Shardul Amarchand Mangaldas & Co ■ Dr. S Narayan, Principal Secretary to the Former Prime Minister of India ■ Robert Steinmetz, Former Chief of International Business, Continental AG

(Not in picture): ■ Vikram S Mehta, Former Chairman, Shell Group of Companies ■ P H Kurian, Principal Secretary (Industries & IT), Government of Kerala

MANAGEMENT BOARD

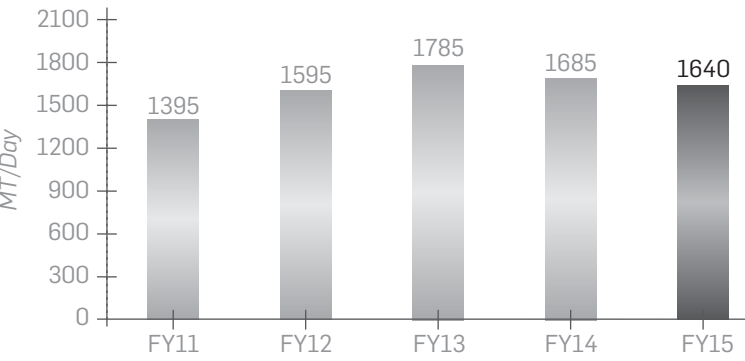


(Standing L-R): ■ Satish Sharma, President, APMEA ■ Mathias Heimann, President, EA ■ Marco Paracciani, Chief Marketing Officer ■ Atulya Sharma, Chief Legal Counsel ■ Markus J Korsten, Chief Manufacturing Officer ■ Sunam Sarkar, President and Chief Business Officer ■ Pedro Matos, Chief Quality Officer ■ Dr Seshu Bhagavathula, Chief Technology Officer ■ Peter Snel, Chief, R&D PV ■ Gaurav Kumar, Chief Financial Officer

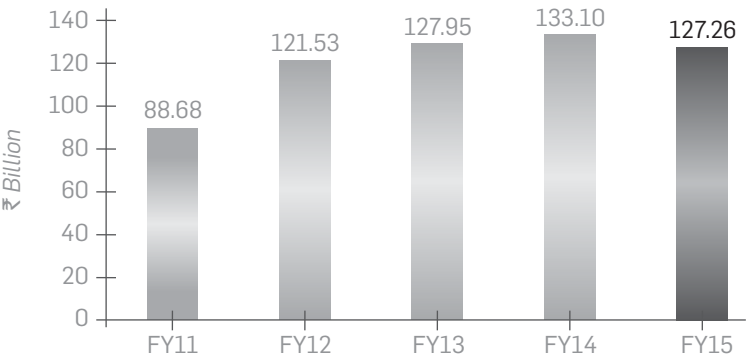
(Sitting L-R): ■ Martha Desmond, Chief Human Resources Officer ■ Neeraj Kanwar, Vice Chairman & Managing Director ■ Onkar S Kanwar, Chairman & Managing Director ■ Robert Steinmetz, Non Executive Director ■ P K Mohamed, Chief Advisor, R&D
(Not in picture): ■ K Prabhakar, Chief, Projects

PERFORMANCE HIGHLIGHTS

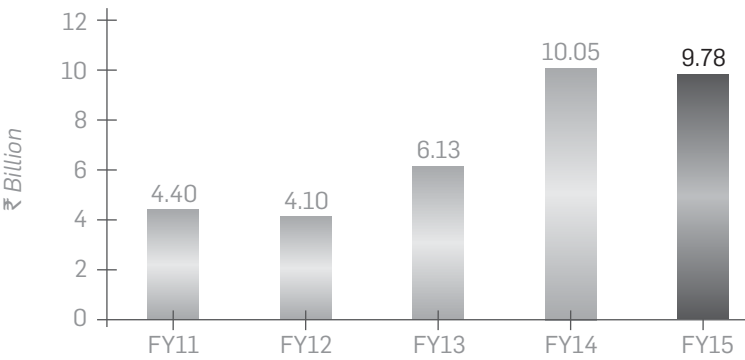
CAPACITY



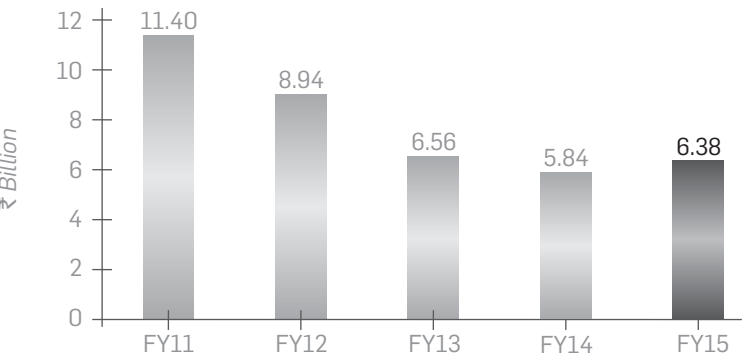
NET SALES



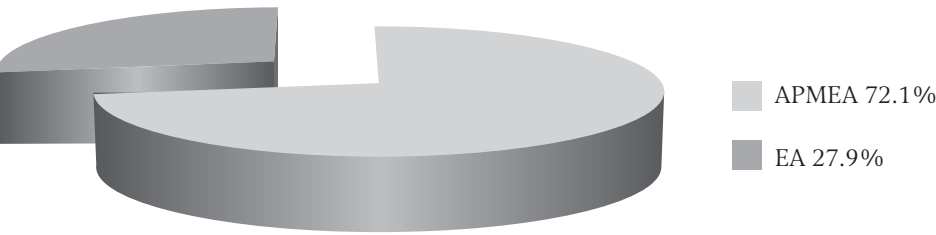
NET PROFIT



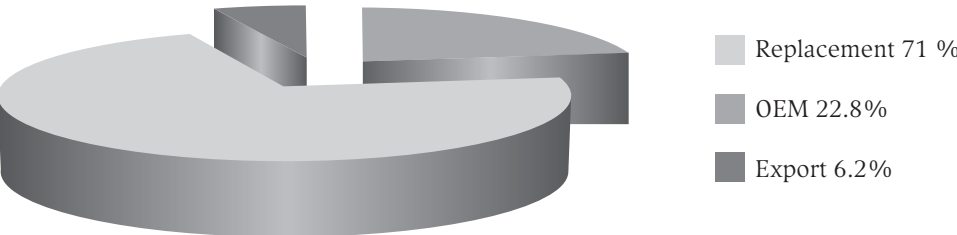
CAPITAL EXPENDITURE (Capex)



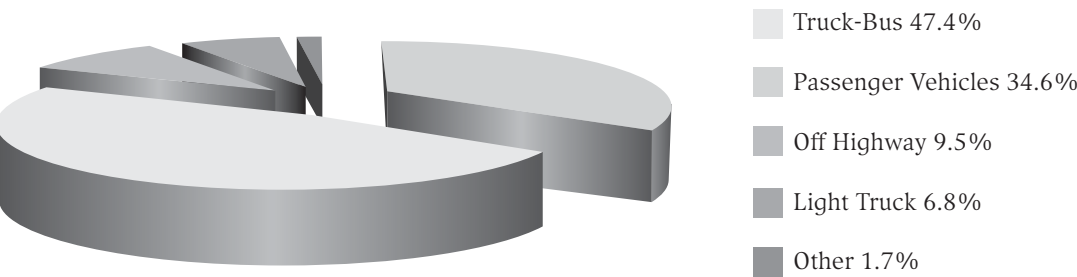
REVENUE SEGMENTATION BY GEOGRAPHY



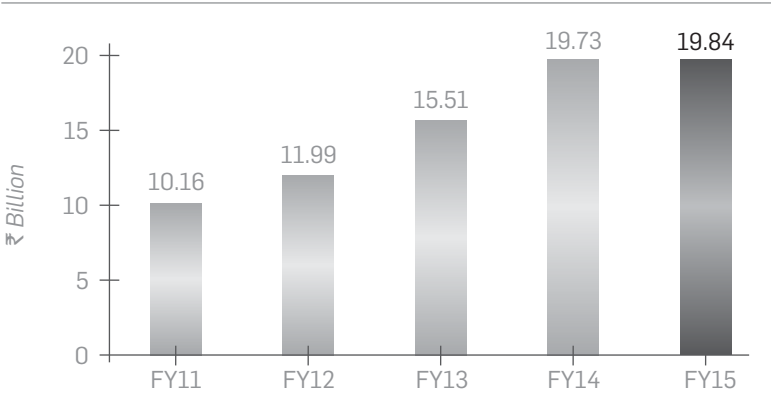
REVENUE SEGMENTATION BY CUSTOMER



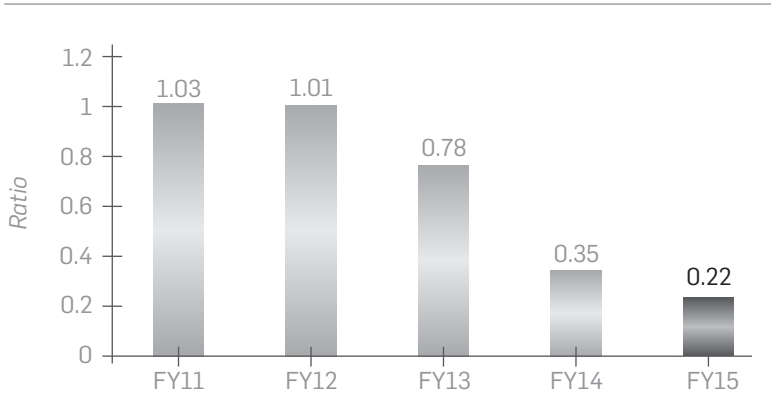
REVENUE SEGMENTATION BY PRODUCT



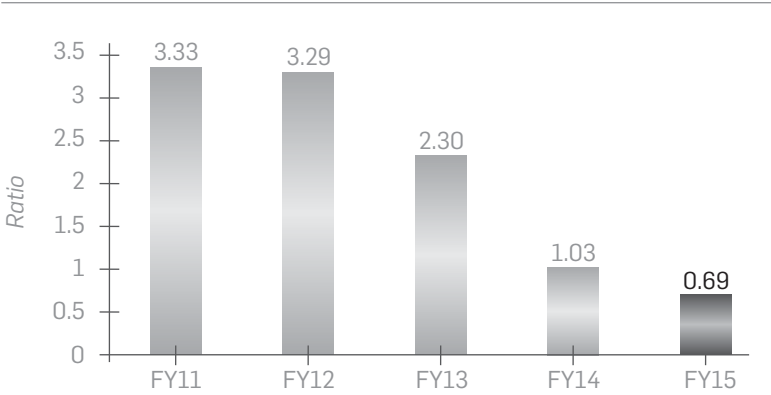
EBIDTA



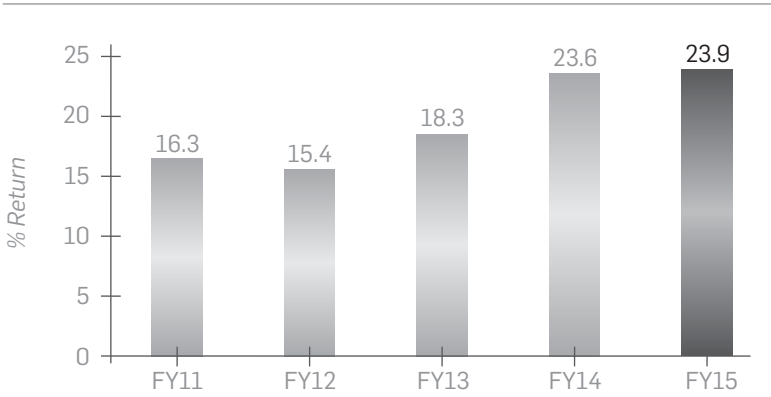
DEBT: EQUITY



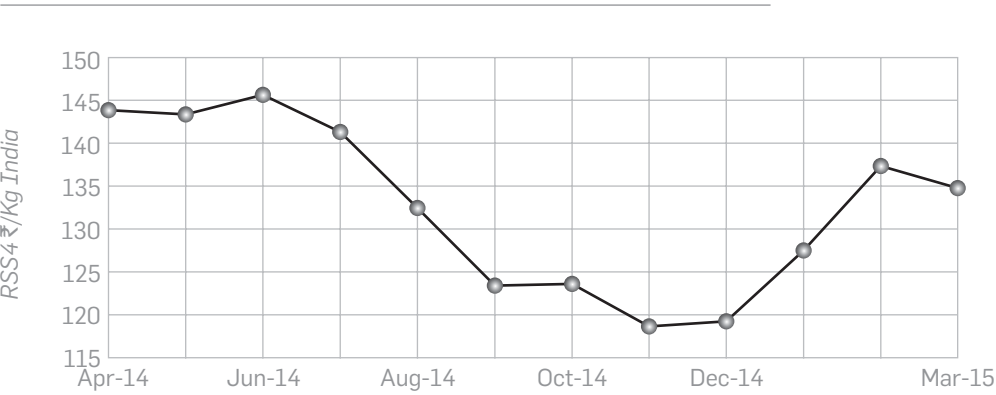
DEBT: EBITA



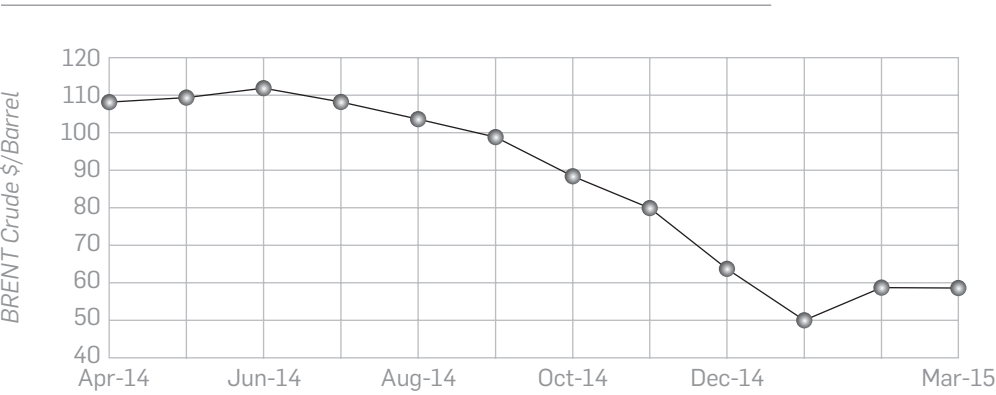
RETURN ON CAPITAL EMPLOYED



NATURAL RUBBER PRICE MOVEMENT



CRUDE OIL PRICE MOVEMENT



EXPLORE YOUR

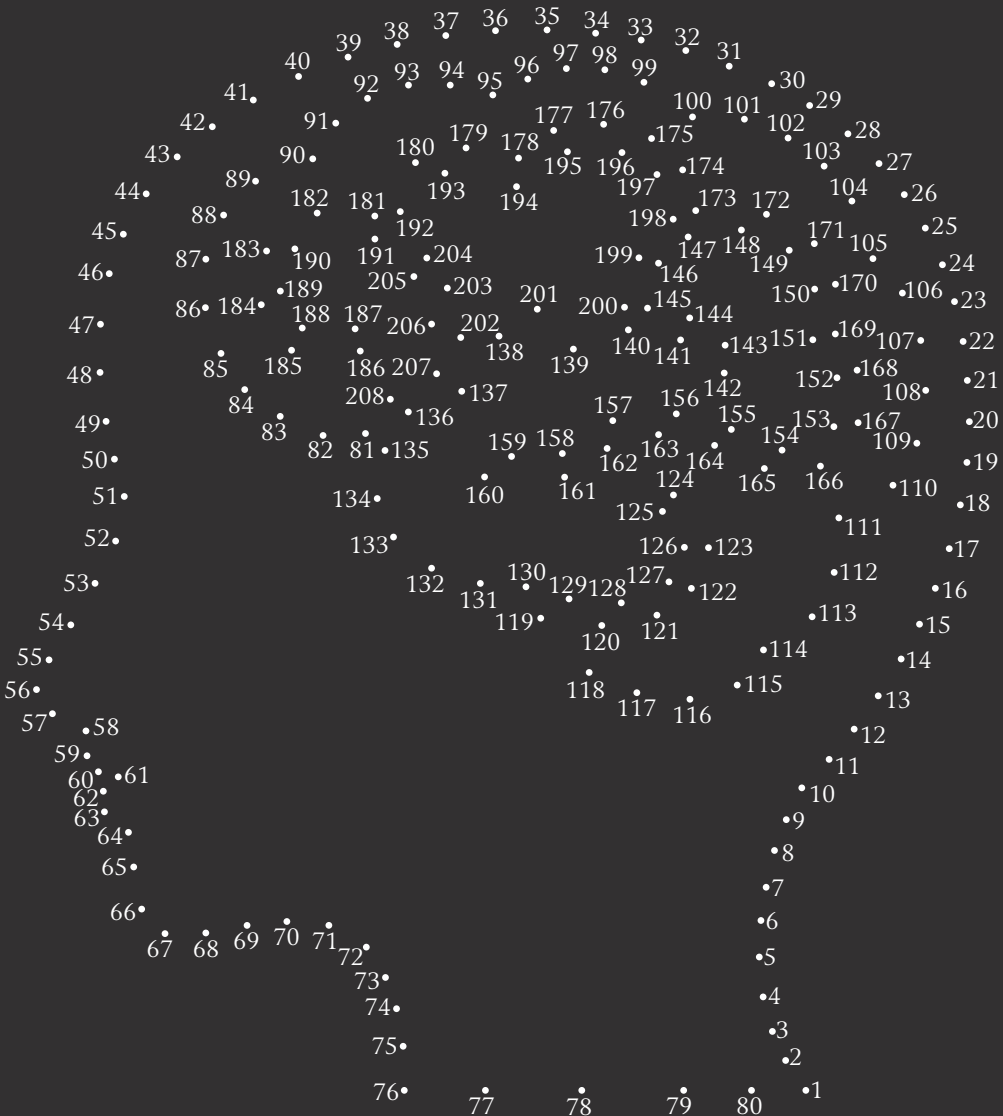
More efficient processes.

Superior technologies.

Greater Innovations.

The more we unleash our potential,

the more we will achieve.



POTENTIAL



MANAGEMENT DISCUSSION AND ANALYSIS

It was a year of mixed fortunes for the global economy. Many high-income economies continued to struggle to gain the growth momentum as they grappled with legacies of the global financial crisis. Few emerging economies emerged as the saviour with healthy growth but the growth engine of the world, China, underwent a carefully managed slowdown. US and UK had gathered pace but the recovery sputtered across Europe and Japan.

Despite the local and global economic conditions, Apollo Tyres continued on its strategy to invest during lean times to build for tomorrow's growth. The company had invested to set up a new plant in Chennai, India even as the world was going through a severe economic recession. In a re-run of its 2009 strategy, the company announced investment of Euro 475 million in a Greenfield facility in Hungary. During the year, the company introduced top-notch products for the European and Asian markets and saw an infusion of top talent in the organisation.

During the FY, the company exited its manufacturing activities in South Africa impacting the topline growth. The Company's net sales dropped by 4.4% to ₹ 127,257 million. Operating profit at ₹ 19,844 million was up by 1%, while Net Profit saw a marginal fall of 3% at ₹ 9,776 million.

MARKET OVERVIEW

The fiscal year (FY) in India started with a 'good feel' factor of a new majority government and possibilities of external vulnerabilities on the wane. Coupled with continuing softening of oil prices since September 2014, it was projected as the year of revival. Early in the year, India's Central Statistical Organisation (CSO) released the advance estimates of growth numbers which indicated that the Indian economy will see a growth of 7.4% for FY15.

However, the good feel factor did not translate into high growth for the various segments in the automobile industry. While there were the usual silver

linings like the Goods Carrier segment which grew by over 21%, the other main drivers of the industry witnessed negative or muted growth. Even for the Goods Carrier segment, it is important to note that growth has come after two years of de-growth resulting in a low base. The overall growth numbers for the key segments like passenger and commercial vehicles stood at a mere 2.5%. It is only due to the high volume two-wheelers and three-wheelers segments that the industry could post an overall growth of 7.2%.

Given the direct correlation of the tyre industry and the automobile industry, the former posted a





Apollo Tyres showcasing its product range at the Geneva Motor Show

marginally higher growth rate than the automotive segment. Based on the data available for 11 months from Automotive Tyres Manufacturers’ Association, the Indian tyre industry registered a 9% growth with the truck segment growing by 7.9% and the passenger car segment jumping by 12.4%. This is against a full year growth of 5% in FY14.

For Europe, it was a year of tentative recovery in Calendar Year (CY) 2014. The overall GDP growth in Euro area countries in CY14 was 0.8% (CY13 -0.4%). Germany continued to outperform the region with GDP growth for CY14 at 1.6% (CY13 0.5%). While it was marginally better than the estimates, it was not strong enough to pull the economy out of the doldrums. The pace of the recovery remained slow as Europe continued to struggle to leave the legacies of the crisis behind it.

While private consumption has been the main engine of growth in the current recovery, investment has failed to recover and exports have done little to support growth. While determined policy action and

the fall in crude oil prices supported growth, the economic recovery is being restrained by high public and private debt, high levels of unemployment and low confidence levels.

Nevertheless, it was a year of gradual domestic healing as consumer confidence became stronger. The strong consumer confidence during the year showed itself in new car registrations. For CY14, with a 5.7% growth, new car registrations increased for the first time since 2007. Similarly, the commercial segment posted an overall growth of 7.6% led by the light commercial vehicles which grew sharply by 11.3% and accounted for 83% of total new commercial vehicle registrations.

The year started with good demand for summer and all season tyres. Even the winter pre-season sales was good. However, a warm winter situation for the 3rd year in a row coupled with high inventory position with the customers affected the performance of winter tyre sales during the year. For the entire CY, especially in the four key segments including

passenger cars, bus and truck, agriculture and two wheelers, the growth was a tepid 2% as compared to its previous year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Scooters (two/three wheelers) and the Motorcycle tyre accounted for 52% of the total volumes, while the other heavyweights (M&HCV, passenger cars, LCV, tractors and off road highway, etc.) accounted for the balance 48%. As per industry estimates, the key heavyweights, passenger car segment posted a healthy clip of 12.4% and the truck segment grew at a 7.9% in volume terms. For the segments under consideration, passenger car and truck, as per estimates, OEMs accounted for 42% and 17% respectively. The replacement market continued to support the tyre majors and accounted for 45% and 78% for the mentioned segments.

Imports has become an important source of tyres into the country and, as per industry estimates, accounted for 13% and 14% for the passenger car and TBR segments. This will continue to haunt the industry in the current fiscal as the growth of low cost tyres from China continues unabated. Given the ‘inverted’ import duty structure in India, where tyres (finished product) attract lower duty, whereas raw rubber (raw

material) attracts a higher duty levy, the Indian market was flooded with low cost tyres in the last quarter of FY15. According to market estimates, Chinese tyre imports grew 138% to 555,438 tyres in FY15 for the truck radial segment and accounted for 11% of the total availability in the Indian market. Similarly, the imports for the passenger car segment were up by 10% to 1,480,044 units and now accounts for 4.2% of the Indian market.

In terms of raw material, natural rubber prices ruled lower in FY15 due to weak demand from major consuming blocks such as BRICS, EU, ASEAN and Japan. The domestic rubber production in India continued to fall short of the demand and imports of rubber from ASEAN region were necessary to offset the shortfall in domestic supplies.

In order to ensure long-term sustainability of its natural rubber supply chain, the company supported the Kerala Government scheme of sourcing domestic rubber at 20% higher than international prices. Given weakness in oil prices, synthetic rubber prices remained subdued in the fiscal. Other crude based raw materials such as carbon black displayed a similar trend.

In FY15, the European passenger vehicle tyre sales in replacement market has remained flat as per data

Apollo Tyres’ promotional tour for its industrial tyres across 8 countries in Europe



from the Industry Association in Europe. The growth for almost all segments has remained flat with an exception of 7% growth in the SUV tyres segment. In passenger vehicle tyre category, there were some signs of recovery evident in markets such as Hungary, France, Spain, Switzerland & Nordics, while countries like Germany, Netherlands, Belgium, UK & Austria, Poland stayed longer on a descending slope. The agricultural tyre market showed a negative growth in FY15.

The beginning of the new year 2015 brought mixed results for the European tyre industry. The all season tyre market is getting more mature and the recent introduction of such products by another major tyre player only confirms the growing importance of all season tyres in Europe. Further, the introduction of TPMS (Tyre Pressure Monitoring System), mandatory in new cars from November 2014 onward, pushes European consumers to use all season tyres as

tyre changes between summer and winter is expected to become time consuming and costlier due to the TPMS legislation.

The other big trend is the growing impact of the internet, both on B2B as well as on B2C. Initiatives in B2C are to bring products and end-consumers together and pushing the retail business into a more service minded approach.

Like India, Europe is witnessing the growth of low cost non-European imported brands. While the introduction of the European tyre label in November 2012 has forced many imported brands to invest in improved quality, the European tyre landscape is changing very quickly.

In terms of raw material, prices remained soft during the year with further decline during second half of the financial year. However, these benefits were passed on to the market with lower sales prices due to a highly competitive market situation.



Launch of the 'go the distance' pitch at Old Trafford

SWOT ANALYSIS

Strengths

1. Apollo Tyres has the advantage of a diversified market base across geographies and is therefore, not dependent on a single domestic market. Furthermore, the company is working to establish and grow operations in other large international markets as well.
2. The company is powered by strong global product brands in its markets – Apollo and Vredestein.
3. Apollo Tyres enjoys an extensive distribution network for its key brands across its key home markets.
4. In Europe, the company's brand 'Vredestein' has an established presence and enjoys premium positioning in ultra high performance (UHP), winter and all season passenger car tyre segments.
5. The company is a leading player in the Indian commercial vehicle segment – which accounts for the bulk of the industry's revenue. Since the company assumed an early lead, Apollo is best positioned to maintain its leadership position in the truck-bus radial segment and drive growth through the same.
6. Global and culturally diversified management team driving growth across geographies.
7. The presence of modern Research & Development facilities for passenger and commercial vehicle tyres will play a key role in bringing cutting-edge technology and innovation to drive growth for the company.

8. Increased spends on corporate brand including Apollo Tyres' association with Manchester United is starting to make Apollo a globally recognised brand.

Weaknesses

1. India has a large and growing 2-3 wheeler tyre segment. However, Apollo does not manufacture tyres for this category and has continued to focus on other product segments.
2. At times in the past, the company has been unable to timely pass on raw material cost escalations to consumers, due to intense competition and various market dynamics. This has a direct impact on the margins.
3. The company is currently not present in the European OEM market for regular passenger car tyres which to a certain extent drives the replacement market sales.

Opportunities

1. In India, Apollo Tyres enjoys early mover advantage in the truck-bus radial segment and has a healthy lead over its competition in terms of capacity and market share. This implies healthy growth prospects with increasing radialisation.
2. The company's Apollo branded passenger vehicle tyres are being sold in Europe and this could develop into a sizable market for the same, leveraging its already existing network in Europe.
3. With the announcement of Apollo's Greenfield plant in Hungary, the company is positioned to grow in the European market through an added cost competitive manufacturing facility.



Apollo Tyres introduced the next generation cross ply tyres in the Indonesian market with Apollo HDF technology

4. The company continues to increase its focus to new geographies like South America, Middle East and South East Asia. These would be growth avenues for the future.
5. The company can convert excess bias capacity into industrial tyres capacity and tap into a new product segment.
6. The company is talking to auto majors for OEM fitments in Europe. This would establish the brand even more strongly and drive significant growth in European market.
7. The company would look to introduce products and make an entry into the European Truck, Bus & OHT segments.

Threats

1. Economic downturn or slowdown in the key markets – Europe and India – can lead to decreased volumes and capacity utilisation.
2. Increased competition from global players like Michelin, Bridgestone, Continental in India.
3. Increased competition from truck radial imports from China resulting in a quicker than expected decline in volumes within the truck-bus cross ply segment, creating redundant capacities requiring investment to convert into other product segments.
4. Continued threat of raw material price volatility translating into pressure on margins during a rapid rise in raw material prices.
5. Weak currency resulting in pressure on

margins, since the company is a net importer.

6. Growing influence of budget tyres, mainly tier 2 and 3 brands from established European manufacturers as well as Chinese and Korean imports.

SEGMENT WISE PERFORMANCE

Apollo Tyres is divided into two key regions - Asia Pacific Middle East and Africa (APMEA) and Europe and Americas (EA).

For Apollo Tyres’ APMEA operations, it was a year of consolidating its leadership position in India, expanding the product portfolio in existing APMEA markets and pushing into new markets in the region.

For the APMEA operations, it was a year of product innovations and launches. The year began with the launch of India’s largest loader tyre at the IMME 2014. The company also introduced the ALT 188 TL tyre which had the industry’s first traction tread design. It further led its product expansion strategy by introducing Apollo Tyres and Manchester United co-branded tyres launched in Thailand. After the UK market, Thailand was the first country to have the Apollo-Manchester United co-branded tyres in Asia.

The region also leveraged Apollo’s global R&D skills to launch a new cross ply technology based tyre, AWR-HD with the Apollo HDF technology, for the Indonesian market. This tyre was specifically engineered for the Indonesian market based on a detailed market study by Apollo’s product and R&D teams on the application of commercial vehicles in this country. The higher horsepower vehicles used

for short and long haul applications on roads, which are more than 50% unpaved, have a unique requirement from their tyres; low inflation pressures for heavy load applications.

To consolidate its leadership position in India and offer innovative and 360 degree solutions to customers, the APMEA operations has started to focus on the retreading business in the country. As radialisation makes deep inroads into the commercial sector, there exists a huge opportunity to tap the growing retreading market. While the unorganised players cater to the current market requirements, customers are increasing looking for retread solutions from tyre manufacturers. The company plans to open 20 branded retread outlets by the end of the current fiscal year.

Furthering its strategy of building higher visibility in its markets outside India, the APMEA operations opened its first Apollo Zone in Kuwait. The outlet is designed to provide customers with an enhanced retail experience for the brand and products displayed.

Given the importance of building a strong brand, the company expanded its sponsorship agreement with Manchester United to cover many markets in the APMEA region. In India, it continued to ramp its branding presence with a high-decibel brand campaign – Performance: There are no Shortcuts – during the year.

The Company’s multi-product strategy, supported by

its two-brand strategy, has helped the region to cross significant milestones. In India, Apollo Tyres became the first company to cross the 100,000 Truck Bus Radial (TBR) monthly sales in March 2015.

The strategy on investing in the radial technology is paying dividends as the company grew at a healthy clip of 30.8%. The TBR exports story was no different for the company as it grew by 53%. While the Truck Bus Bias (TBB) saw the expected decline, the APMEA operations’ strategy of looking at new markets paid dividend as exports in the segment grew by 14%. In the replacement passenger car segment, the operations saw tepid growth but this was slightly offset by the higher than industry growth in the OE segment as the operations increased its market share in the OE segment to 21%.

The EA operations managed all odds including slow market demand, influx of low cost products and lower sales prices to marginally exceed the net sales in FY15 in Euro terms. The operations accounts for 28% of Apollo Tyres’ consolidated revenue. In terms of volume, passenger car tyre sales grew by 4%, spare tyres sales grew by 12% and agriculture tyres sales grew marginally by 2%. The operations gained market share in Agricultural tyre and saw a marginal rise in passenger car tyre category. The operations’ strategy of focusing on all season and SUV tyres had helped it reduce dependence on the winter tyres sold during the cold months. The continuing warm spells in Europe for the 3rd year in a row did impact the winter tyre sales, but it has been compensated with



strong growth of all season and SUV tyres.

The EA operations began the year with the announcement of the Apollo Alnac 4G – All Season and Winter tyres. The two new tyres expanded the existing portfolio of the Apollo brand in Europe. Coupled with the Vredestein brand, the EA operations offered a complete range of tyres catering to different segments. This was followed by the launch of Vredestein Quattrac 5 and Snowtrac 5 tyres launch in Scotland. The Vredestein Quattrac 5 is a completely new generation of four-season tyres. The winter tyre Vredestein Snowtrac 5 has been designed and manufactured to handle the most extreme and unpredictable weather conditions, including wet, cold or slippery roads. To further engage with the consumers and create higher visibility of the Apollo brand, the operations embarked on a six-month promotional tour across 8 countries in Europe to introduce its full range of Apollo branded industrial tyres to end users and tyre specialists. Across the year, new sizes in Vredestein agricultural and Apollo industrial tyres became available, including the launch of Vredestein Endurion and Vredestein Traxion Versa at the SIMA in Paris, February 2015. During the mid of 2014, the EA operations initiated a road show and visited construction and rental companies, tyre and machine dealers to create and increase the brand awareness for Apollo Tyres.

Given the increase usage on social media across the

globe, even for buying products like tyres, the EA operations focussed on the online space and now has a strong presence on social media. Also, an E-commerce platform was launched last year which will be rolled out and used by all countires under the EA operations.

As both the operations relied heavily on understanding the consumer requirements and leveraging on its R&D skills to develop and manufacture products, various test results in Europe were a testimony to the success of this strategy. The Vredestein Sportrac 5 and Vredestein Ultrac Vorti were rated highly in various independent European tyre tests, pinpointing the excellent results on dry handling, low sound levels and lower fuel consumption.

The EA operations won the ‘Tire Manufacturing Innovation of the Year’- an award for its tandem mixer inaugurated in 2014

OUTLOOK

The global economic growth for FY16 will continue to be a mixed bag. According to estimates, the global growth is expected to rise moderately to 3.0% in 2015, and average about 3.3% through 2017. However, all eyes will be focussed on India. According to forecasts by international agencies including World Bank and International Monetary Fund, India is set to emerge as the world’s fastest



Vredestein Ultrac Vorti



Launch of Snowtrac 5 tyres in Edinburgh, Scotland

growing economy in 2015, overtaking neighbouring China and widening the gap further in 2016.

The current government in India is looking at addressing structural and supply-side constraints which will give a big impetus to the investment activities in the country. Coupled with strong public and private consumption, India continues to be a bright spot in the global landscape. The strong growth, lower external vulnerabilities, higher disposable income will be a boost to the auto segment. The sales in the beginning of the FY16 points to a sustained momentum and the sector can emerge as the showstopper for the Indian economy. We expect that the bullishness will bring back the demand from the OE segment. We hope the optimism in the auto industry is translated as sales in the tyre industry.

Likewise, there is an air of optimism across Europe. It is for the first time since 2007 that the economies across Europe are expected to grow again. As per the European Commission’s winter forecast, growth in CY15 is forecasted to rise to 1.7% for the EU as a whole and to 1.3% for the Euro area. The growth is expected to inch up further in CY16 to 2.1% and 1.9% respectively, on the back of strengthened domestic and foreign demand, very accommodative monetary policy and a broadly neutral fiscal stance. Further, lower oil prices will boost real household income putting more disposable income with consumers and result in increased spending accelerating the growth.

Despite another year of flat market forecast by the

industry association, outlook for EA operations remains positive. The main drivers for growth will be further expansion and promotion of Apollo brand in all the countries in Europe as well as new products introduction. The Vredestein brand has maintained its position amongst the premium brand and is well positioned to further gain market share in Europe. Sales strategy for the coming year will focus on distribution network expansion, product range enhancement and consumer marketing.

To support the long term growth plans, the company will be making significant investments in all its plants across both the regions. Given the focus on OE in Europe, investment will be made to prepare the Enschede plant for supplies to car manufacturers and expand the capacity of spare tyre production. The company has also undertaken a major project to implement SAP ERP system across all the European operations covering all the functional areas. SAP implementation will bring efficiency improvement by eliminating duplicate activities, improve internal control, enable faster decision making and share best practices.

RISKS AND CONCERNS

The impact of the key risks and opportunities listed below has been identified through a formal process driven by Apollo’s Risk Management Steering Committees. The company’s approach has allowed for a systematic appraisal of the business environment it operates in and a response aimed at capitalising and maximising benefits for all its operations.



FINANCIALS

- 1. Raw material price volatility
 - a. Natural rubber is an agricultural commodity and subject to price volatility and production concerns.
 - b. Most other raw materials are crude linked and are affected by the movement in crude prices. Any increase in crude oil prices may impact prices of some of the raw materials.
 - c. Both natural rubber and crude prices are controlled by external environment and little can be done to control the raw material price movement internally.
- 2. Ability to pass on increasing cost in a timely manner
 - a. Demand supply situation must remain in favour of the industry to enable it to undertake price increases.
 - b. This is further impacted by competitive activities and a general reluctance as seen in the past, particularly in India, to make quick and significant price hikes.
- 3. Continued economic growth
 - a. 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 fortunes.

- b. In Europe, the company’s winter tyre sales are subject to seasonal requirements, which can be adversely impacted in case of a mild winter season.
- 4. Radialisation levels in India
 - a. Slower increase in radialisation level in truck tyre segment, than expected, may impact Indian operations. Excess capacity may result in competitive pressures and decline in profit.
 - b. At the same time, an unexpected quicker increase in the level of radialisation can result in faster redundancy of cross ply capacities and create a need for fresh investments.
- 5. Future Growth
 - a. Lower profitability due to some of the above factors impacts the ability to invest in future growth
 - b. Increased competition from global players like Michelin, Bridgestone and Continental in India.

SOCIAL

- 6. Manpower retention
 - a. Retaining skilled personnel may become increasingly difficult in India, due to the entry of global majors in the Indian tyre industry.

- 7. Labour activism
 - a. Increased labour activism across India may pose challenge for any manufacturing organisation.

INTERNAL CONTROLS AND SYSTEMS

Apollo Tyres has a robust Internal Control framework, which has been instituted considering the nature, size and risk in the business. The framework comprises, inter alia, of a well-defined organisation structure, roles and responsibilities, documented policies and procedures, etc. Information Technology policies and processes were also updated to ensure that they satisfy the current business needs. This is complemented by a management information and monitoring system, which ensures compliance to internal processes, as well as with applicable laws and regulations. The operating management is not only responsible for revenue and profitability, but also for maintaining financial discipline and hygiene.

In order to ensure efficient Internal Control systems, the company also 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 function has a well laid

down internal audit methodology, which emphasise on risk based internal audits using data analytics and tools.

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 Audit reports on quarterly basis 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.

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 accepts the integrity and objectivity of these financial statements as well as the various estimates and judgements used



Sl.	Particulars	Year Ended		Year Ended	
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
		Standalone		Consolidated	
1.	Revenue from Operations:				
	Gross Sales	98,773	95,893	137,247	142,895
	Less: Excise Duty	9,990	9,792	9,990	9,792
	Net Sales	88,783	86,101	127,257	133,103
2.	Other Income	971	1,809	1,133	1,995
	Total	89,754	87,910	128,390	135,098
3.	Total Expenditure				
a)	Decrease/(Increase) in Finished Goods & Work in Process	197	(1,158)	875	(311)
b)	Consumption of Raw Materials/Purchase of Stock in Trade	56,499	59,746	69,753	78,031
c)	Employee Benefits Expense	5,451	4,533	16,070	15,812
d)	Other Expenses	14,076	13,008	21,848	21,832
	Total	76,223	76,129	108,546	115,364
4.	Operating Profit	13,531	11,781	19,844	19,734
5.	Finance Costs	1,721	2,446	1,828	2,838
6.	Depreciation & Amortisation	2,468	2,480	3,883	4,109
7.	Profit before Exceptional Items & Tax	9,342	6,855	14,133	12,787
8.	Exceptional Items	-	711	825	468
9.	Profit After Exceptional Items & Before Tax	9,342	6,144	13,308	12,319
10.	Provision for Tax				
	- Current	2,545	1,327	3,535	1,942
	- Deferred	346	391	(3)	326
	Total	2,891	1,718	3,532	2,268
11.	Profit after Tax	6,451	4,426	9,776	10,051
12.	Share of Loss in Associates/Interest	-	-	-	-
13.	Net Profit	6,451	4,426	9,776	10,051



Onkar S Kanwar and Neeraj Kanwar with Viktor Orbán, Prime Minister of Hungary during the foundation stone laying ceremony held in Hungary

therein. The estimates and judgment 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.

DEVELOPMENT IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

One of the key elements of Apollo Tyres’ strategy is profitable growth. The organisation knows that profitable growth is solely dependent on its employees’ performance in diverse areas including sales, marketing, R&D, manufacturing, logistics and across every function in the organisation. The company has continuously endeavoured to build a high performance culture and the Human Resources function plays a key role in enabling this. The HR at Apollo Tyres has always remained a strategic partner in the growth and globalisation journey of the company.

Hungary, Thailand, London, Brazil... as Apollo Tyres moves in new geographies, HR has evolved itself into a global function responsible for all HR activities across geographies and is completely aligned with business requirements.

For HR, the previous fiscal year was a year of change and consolidation. The year saw a change in HR leadership with Martha Desmond joining in as the Chief Human Resources Officer. Based out of

London, Martha has a rich global exposure in all aspects of HR including Global Talent Management, Total Rewards and Global Mobility.

In order to further augment Apollo’s fast paced growth journey, several key new positions were created worldwide. To homogenise the company’s manufacturing standards worldwide, the Chief Manufacturing Officer joined Apollo Tyres. Quality has always been an epicentre of our product differentiation. To spearhead the Global Quality Standards journey, a Chief Quality Officer also came onboard. Technology will be the key differentiator in outpacing our competitors. Focussing on this priority, Apollo welcomed a Chief Technology Officer to the company.

As the global footprint of Apollo Tyres has increased significantly, so has the global movement of its people. Global mobility of employees is enabling them achieve their career and personal aspiration of development and growth and enhancing the company’s value proposition. The HR department, thereby, has become a fulcrum propelling people development and job enrichment. Championing the cause of employees, it is HR’s endeavour to ease resettlement and reduce challenges in the movement, so that employees are ready to take on their enhanced responsibilities globally.

In line with this philosophy, the Hungary Greenfield project led to the relocation of 17 employees with their families. HR developed the global mobility policy to assist the relocation process. Given the



Celebrating togetherness: Employees with families during the Apollo One Family event at Manchester

nature of the business, the industry has seen low gender diversity. However, the company's refreshed hiring practices and global policies have led to a greater gender mix. Further, along with the best-in-class policies and practices, greater emphasis on competency profiling of each candidate has ensured getting the right person for the right job.

HR continued work on its on-boarding program. The company's orientation process has tried and tested elements ranging from creating awareness about the company's culture and key processes, a mentoring program to handhold new employees and on job training. All these ensure that new employees are trained and equipped with the necessary skills - cultural and technical, required to perform the job at the desired level.

In terms of fostering greater team spirit and cohesiveness amongst the senior leadership and their families, the company organised the 'Apollo One Family' event, a trip to the United Kingdom. Similarly, the European operations had organised its Family Day event early in the previous fiscal. On the day, employees of the European operations invite their family and show them the factory. The EA operations had also organised the 'Apollo Vredestein family day' in the early part of FY15. During this festivity, over 6000 employees and their family members visited the

Enschede plant.

Capability building - functional and technical, continues to be the focus area for HR at Apollo Tyres. Managers from the R&D function from Europe and India attended the 'Technology Leadership Development' program. The same was a focus area at the operations level. Based on the success of the Customer Centric training initiatives, the APMEA operations conducted programs like 'Fact Based Management Training', 'Customer Service Training in association with Volvo', etc. for its field sales teams. The operations also further built on its success of the 'Step-Up' program for its junior field staff which has produced a responsive customer focused sales force.

Like the APMEA operations, Apollo's EA operations had several trainings and development programmes at different levels within the region centered to enhance professional and non-professional competencies. One of the programs was focused around training the team in entrepreneurship, quality and costs.

The company's earlier focus on hiring fresh engineering graduates since 2008 has now started to pay rich dividends for the company with several of these graduates now part of the APMEA operations' middle management base and others moving to take

responsibilities across international locations.

Apart from creating the best talent, it is important to recognise them. Across Apollo and its two key operations, there are enough opportunities to recognise and reward the best performing talents. The annual 'Employee of the Year' award is a key initiative in this direction at an organisation level. In the previous fiscal, the Indian and European operations organised their respective 'Roll of Honour', where the high performers of the year are honoured. The European operations and the Netherlands based Apollo Tyres Global R&D selected eight winners who travelled to Barcelona as part of the incentive. The APMEA operations identified high employees among the junior management staff across various locations in India and they were rewarded with a trip to Malaysia and Langkawi Islands.

One of the company's core values, 'One Family', is lived across the organisation and includes the unionised members of the organisation. Led by the AMPEA operations' HR team, regular interaction between the management and unions ensured that relations remained conducive across all manufacturing facilities. Long-term settlement was

completed in the Kalamassery plant and the process will be concluded soon in the Limda plant. Further, the company engages with its employees through multiple channels including town halls, emails, suggestion box, intranet, etc. These initiatives help the senior leadership to connect with the employees and also empower the latter.

All these initiatives foster a spirit of inclusiveness and have resulted in an engaged workforce at Apollo Tyres. The fact has been acknowledged by external agencies. The company was recognised as India's and then Asia's best company to work for in the Auto Component category by the Great Place to Work organisation.

Sustainability and social responsibility are an inherent component of our corporate strategy. Long before the Government started mandating social responsibility, Apollo Tyres identified the need to work with stakeholder communities to strengthen our bonds with them and focus on 'continuously enhancing stakeholder value'. Our CSR strategy focuses on combining corporate goals with development goals thereby optimising scarce existing resources and enabling inclusive growth. With this strategy, the company focus on areas for its

Apollo Tyres honoured as Asia's best company to work for in the Auto Component industry by the Great Place to Work Institute



CSR initiatives including health, environment and community development.

The APMEA operations continued its long standing CSR initiative on HIV/AIDS prevention and awareness for truck drivers in India. The health programme spans across 25 locations across the country. The programme reached out to over 415,643 people through one-to-one and one-to-group awareness sessions and peer educated activities. More than 54,168 people were treated out of which 3,305 truckers were treated for sexually transmitted infection and over 39,990 people counselled for HIV-AIDS.

The programme, originally designed for the trucker community to promote awareness on HIV, was extended to cover other health related issues. A pilot project on vision correction was organised for the customers.

With the health programmes firmly established, the APMEA operations had been focussing on environmental conversation and community development projects under the expanded CSR scope. The shift is evident in the spending. The operations has spent 42% of its total CSR budget in FY15

on these two areas, up from just 15% in FY13.

On the environment front, CSR has already initiated projects in different cities of India on waste management, afforestation and emission reduction, biodiversity enhancement and watershed management. In line with the National Agenda of Swachh Bharat Abhiyan, the Clean My Transport Nagar flagship project (started in 2012) has recovered almost 16,000 kgs of waste in a single year from Delhi and Agra Transport Nagars respectively, offering a cleaner and healthier workplace for the customers and dealers.

In the previous fiscal, APMEA operations delivered a diverse range of initiatives in communities from livelihood generation (through vocational training and skills building) to improving sustainable agriculture (through improved farming practices and livestock management). There were 349 unemployed youths and women who were provided training under ‘Project U’, for livelihood generation. Over 37% have either taken up employment outside or are self-employed. Further, the CSR team, with its initial efforts to look at the overall impact points

across the value chain, also engaged in small activities for the suppliers community (natural rubber grading centre employees) in the state of Kerala.

Apollo’s EA operations undertook various CSR initiatives within the Netherlands such as employee participation towards the ‘The Ice Bucket Challenge’ for the ALS foundation. The operations also sponsored the ‘Good Cause Rally’, an initiative to give critically ill children a moment in which they can ‘forget’ about their illness for a little while and get to chance to be co-drivers in high performance and exclusive cars.

Within the livelihood generation theme, the operation provided 10 long-time unemployed people with labour training-experience at the plant in the effort to re-integrate them into work. This initiative will provide further support and enable their chances of getting back to employment.

It was an endorsement for the organisation’s CSR when the company was ranked 1st in the Auto Ancillary category in the list of ‘India’s Best Companies for CSR’, a detailed study by Indian Institute of Management, Udaipur and Futurescape Technologies.

A supplementary food programme for the Anganwadis near the Limda plant in India



For a cause: Employees at Enschede plant in the Netherlands participating in the 'Ice Bucket Challenge'



EXPLORE FOR

Taking responsibility.

Creating a better environment.

Protecting our most valuable asset.

The more committed we are today,
the better will be our reward tomorrow.



TOMORROW



SUSTAINABILITY

Apollo Tyres Ltd understands and respects its role and responsibility towards ensuring benefits to its stakeholders and society at large. This section gives an overview of the sustainability approach and performance in the manufacturing operations.

Period of Report

The period covered for the purpose of this report is April 1, 2014 to March 31, 2015 and the reporting cycle is annual.

Scope of Report

The information disclosed in the report relates to Apollo Tyres’ operations in two regions - EA (Europe and Americas) and APMEA (Asia Pacific, Middle East and Africa). The information is restricted to the manufacturing operations in the two regions, with the exception of our employees section which provides information about our non-manufacturing operations too.

The manufacturing locations are:

- EA Operations: Enschede in the Netherlands
- APMEA Operations: Chennai, Limda, Perambra and Kalamassery* in India

Apollo Tyres has developed its own Sustainability Reporting Framework drawing elements from ISO26000 and National Voluntary Guidelines. The company has made efforts to ensure disclosure on parameters which it considers to be consequential.

MANAGEMENT APPROACH TOWARDS SUSTAINABILITY

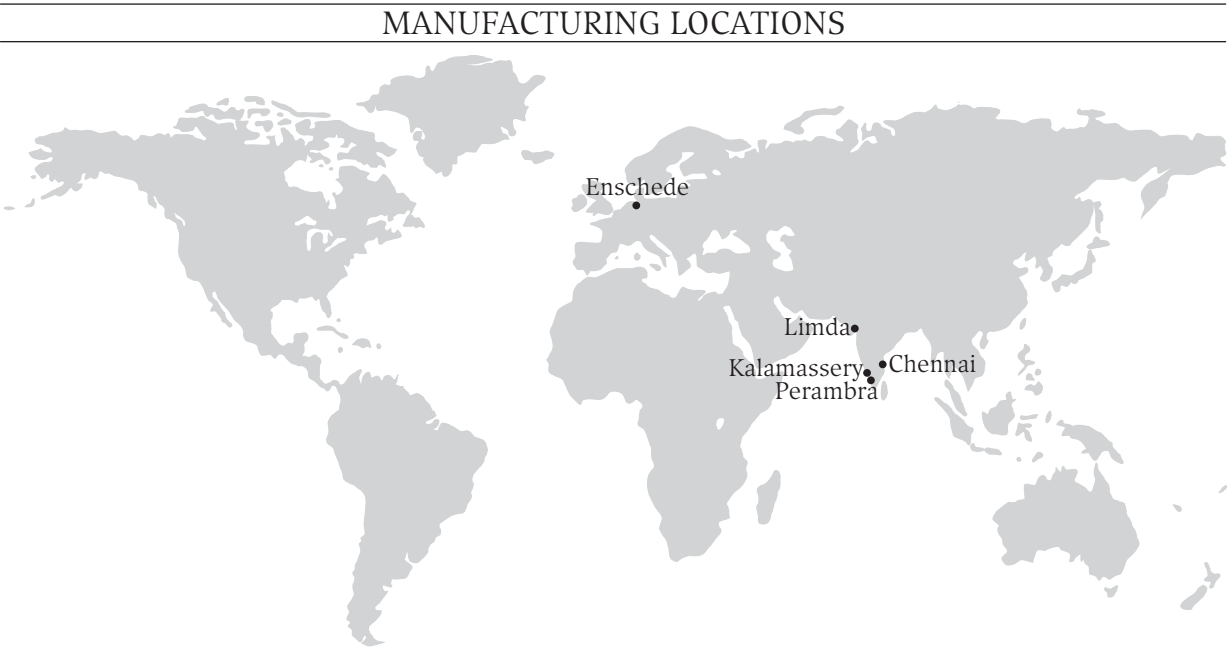
Organisations around the world are becoming more conscious of socially responsible behaviour, integrating social and environmental concerns in their business operations and interacting with their stakeholders. The aim of social responsibility is to contribute to sustainable development for all stakeholders and to promote business accountability.

Apollo Tyres acknowledges the significance of its performance in relation to the society in which it operates and its impact on the environment, both now and in the future. The company’s social responsibility and sustainability commitment flows from this understanding and is based on its vision of growth, development and expectations of all its stakeholders.

The company’s sustainability journey began in 2010. Over the years, it has established strong management systems to aid planning and implementation of sustainability led initiatives across all its operations.

In FY15, the company formalised the structure and constituted a Sustainability Committee with representation from the Management Board. This highlights the commitment of the top

Figure 1



* Kalamassery location is a leased unit



Women making organic manure in a village near the Limda plant in India

management to drive its sustainability strategy forward.

The committee is responsible for management of sustainability statement, sustainability framework and works towards achieving sustainability goals.

WORKING TOGETHER

Apollo is committed to create value for all its stakeholders – employees; customers (OEM and replacement) and dealers; suppliers; investors and analysts; shareholders; regulatory bodies and community – by pursuing sustainable business policies and practices all along the value chain.

The company believes that engaging with its stakeholders is crucial to building a sustainable business. The process of holding structured dialogue

with the stakeholders' groups helps it to understand their concerns. This assists the company in improving its decision-making processes and accountability to them.

The company's endeavour is to build a trustworthy and long-term relationship with all its stakeholders.

The strategy is to:

- strengthen strategic partnerships with its stakeholders
- increase stakeholder participation and
- achieve organisational goals

The company's engagement with its stakeholders (customers, employees, supply chain partners and community) is detailed in the section "We Care".

Figure 2

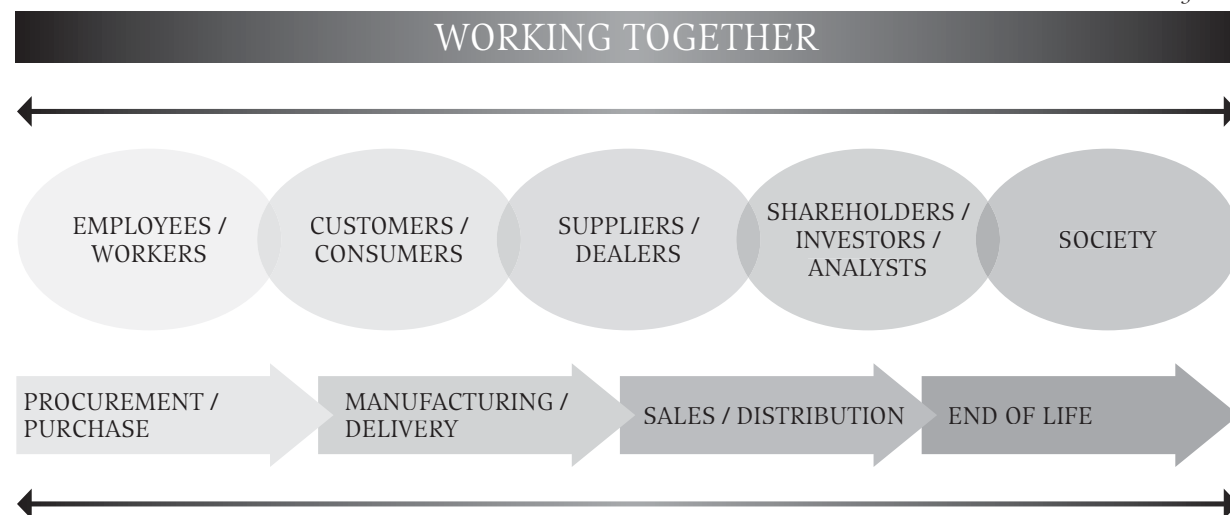
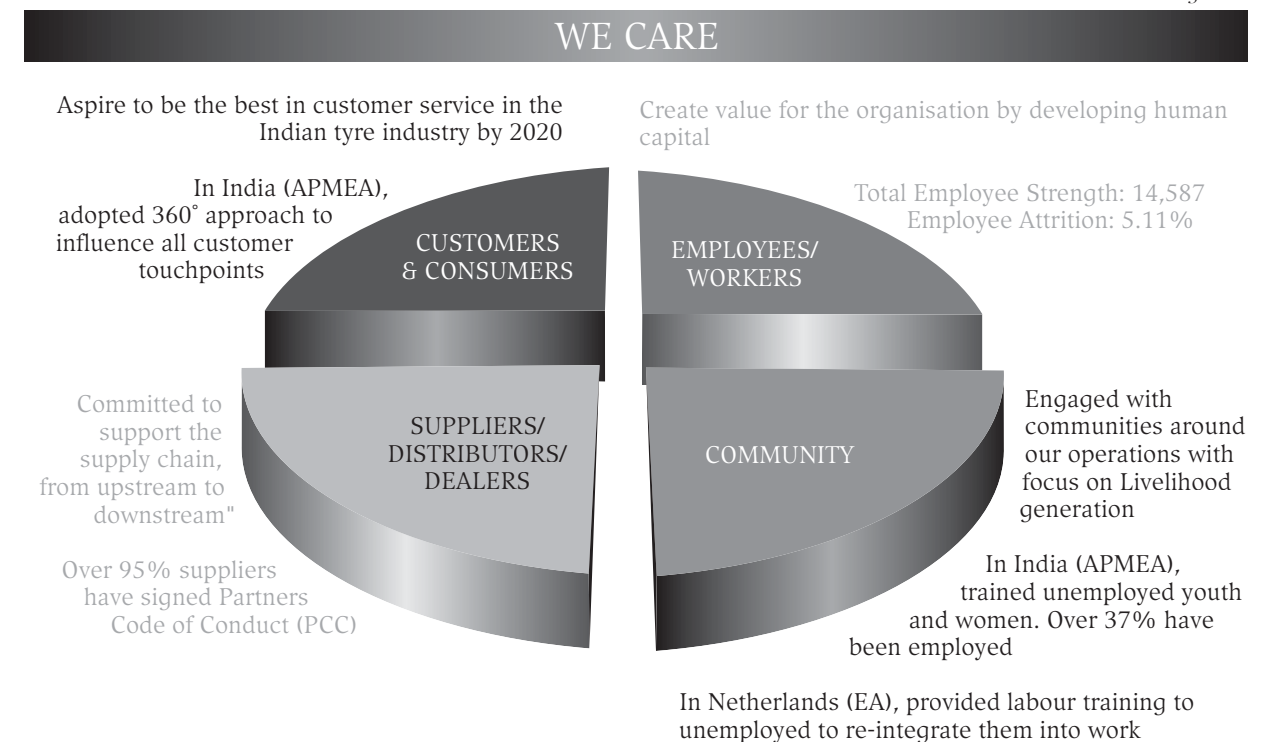


Figure 3



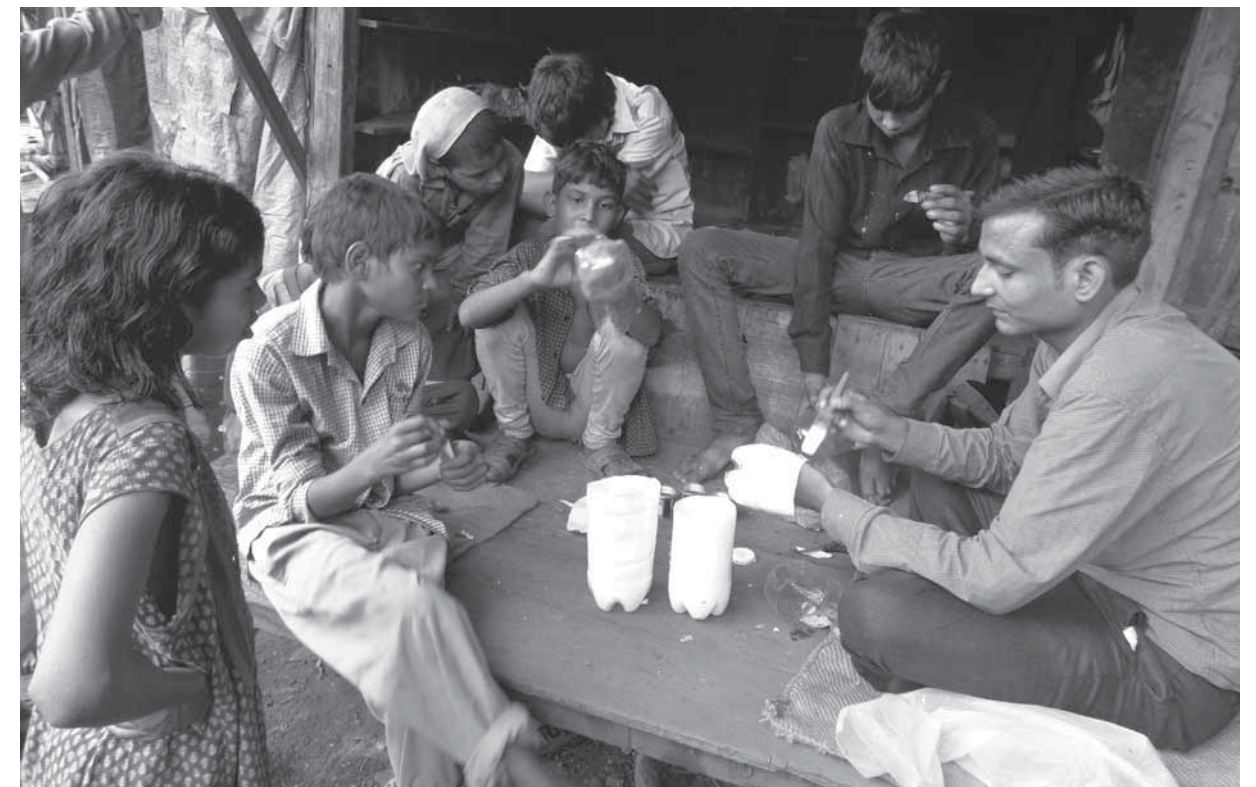
CARE FOR CUSTOMERS

'Customer First' is one of the key values enshrined in the Apollo Way. Our customers, and those whom they serve, are central to everything that we do.

The APMEA operations aspires to be the best in

customer service in the Indian tyre industry by 2020 by winning customer confidence through excellent service quality and hassle free product experience. It adheres to the highest standards of customer care services and is proud to declare that there has been no incident of non-compliance with regards to product

Workshop with rag pickers, Agra, India



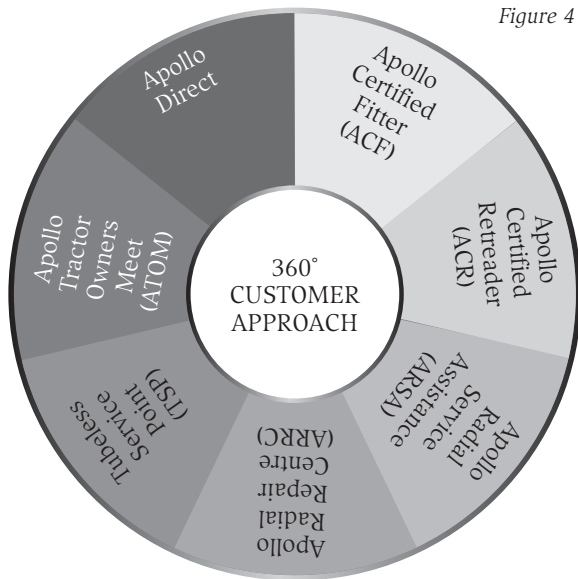


Figure 4

safety, product labelling, marketing communications or data privacy from any of its operations in the reporting period.

The operations has traversed a long distance in the past decade. Over the years, its focus has shifted to a wider ambit of ‘complaint management’. The approach not only addresses basic aspects like claim redressal, product testing, mass customer campaigns but also seeks to eliminate any scope for complaint in its products and services.

Teams in the operations regularly conduct product and safety awareness workshops and health assistance programmes and also encourage customers to share their experiences through a dedicated mechanism.

Our Work Ways

In the APMEA operations, the company has a dedicated customer service department which has members with specialised knowledge on products, technical expertise and commercial understanding to provide value-added services to our customers. It also acts as a key support function for other departments like Sales & Marketing and Plant Technology by sharing (Voice of Customers) feedback from the customers.

Regional Inspection Centres (RICs) have been set up across India to carry out checks on returned products and share insights so gained with the Production (Manufacturing) and Research & Development units for improving quality of products and minimising wastes (scrap).

The strategies of the department include developing TBR leadership, educating drivers in tyre care and maintenance, organising drivers’ welfare camps and



educating customers to sharpen its 360° Customer Approach that connects with all the customer service touch points. Under the Apollo 360° Customer Approach, the company carries out multiple initiatives including Apollo Certified Fitter Programme, Apollo Certified Retreader Programme and Apollo Tyre Road Assistance Programme.

Going forward, the plans include introduction of the Services Super7 Approach which aims to bring in the cultural shift of empowering customers with relevant knowledge and technical expertise by way of planned programmes like ‘Do it Yourself’ (DIY) and ‘Know Your Customer’ (KYC). Better knowledge of products will enable its customers to utilise products more efficiently.

For Apollo’s EA operations, it continues to improve tyre label values on rolling resistance, noise and wet grip as per the European Tyre Labelling Regulation. For example, the recently introduced product line, Quatrac 5, reduces rolling resistance by, on an average, 10%.

CARE FOR EMPLOYEES

One of Apollo’s core values is to celebrate oneness and foster team spirit in the workforce by building trusting relationships, shared vision and passion for common goals. We encourage Apolloites to lead a healthy lifestyle, take pride in each other’s work, irrespective of hierarchy, race, religion or gender and connect with each other as One Family.

Apollo’s HR vision is to be a strategic partner to the business and create value for the organisation by developing human capital. In line with this vision, the company believes in empowering its employees and hone their skills. At Apollo, the endeavour is to ensure and provide employee benefits, maintain gender neutrality, facilitate collective bargaining and maintain a healthy and safe environment at all its operations. Under the integrated management system, the company is certified for OHSAS 18001 in all its manufacturing locations in India. The company follows labour policies compliant with statutory and regulatory requirements for payment of wages and other benefits.

A majority of the company’s workforce in all its operations is employed on a permanent basis, constituting 72.96% of the total.

HIV-AIDS awareness programme in India

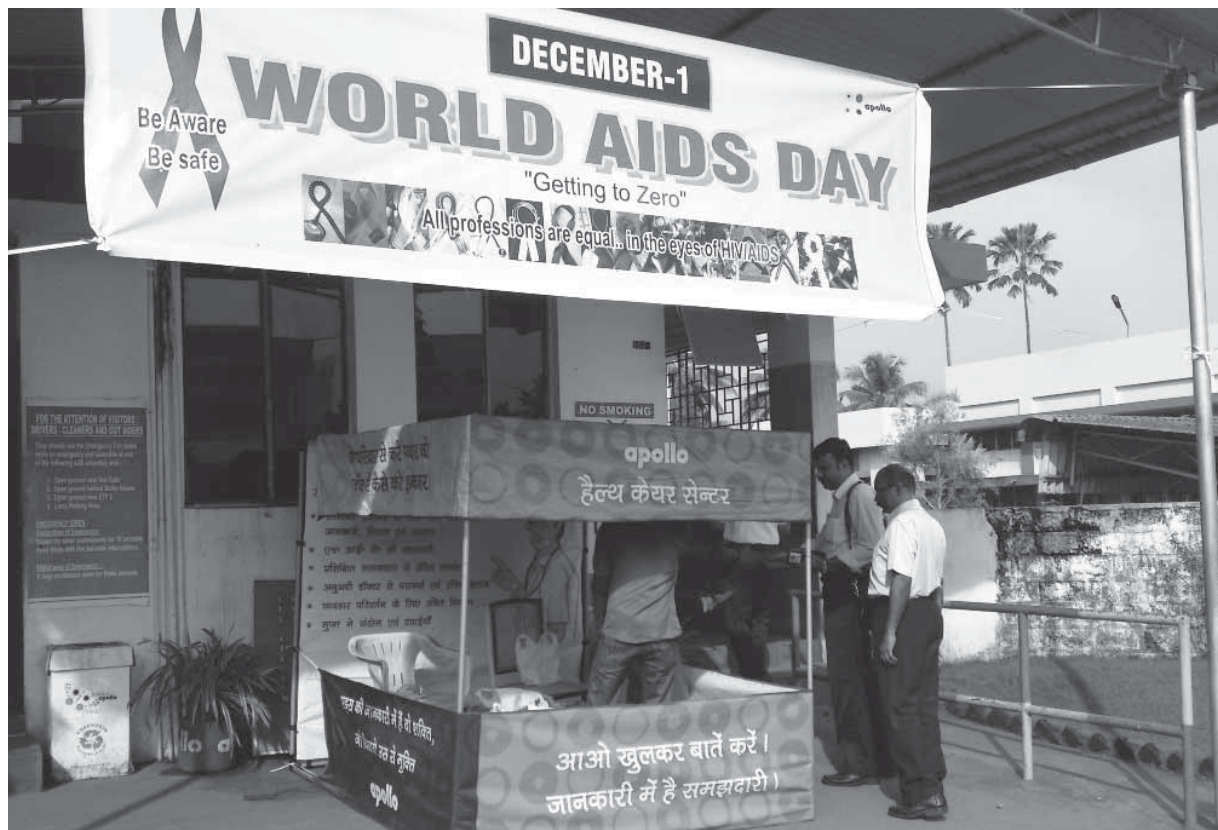
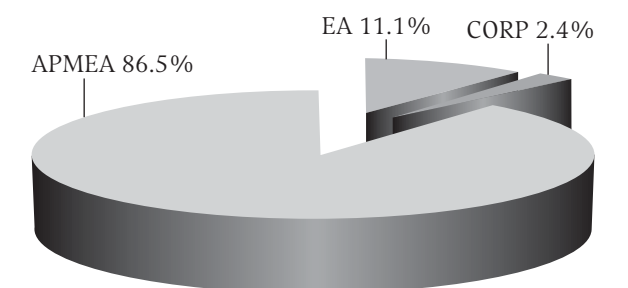


Figure 5

EMPLOYEE BREAKDOWN
Total workforce: 14,587

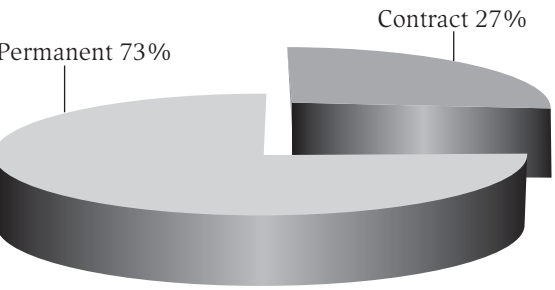


Corporate offices include employees at our corporate offices in Gurgaon, London, Singapore and R&D division in the Netherlands.



Figure 6

BREAK-UP OF PERMANENT AND CONTRACT EMPLOYEES

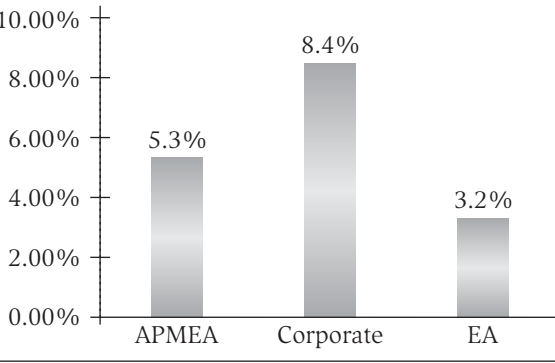


The gender composition is primarily male, with females comprising 1.7%¹ of its workforce. The organisation, however, is consciously working towards recruiting more female employees to bring a gender balance.

The employee attrition rate at all the company’s operations is low, with the overall rate touching

Figure 7

REGION-WISE EMPLOYEE ATTRITION



¹Breakdown of male and female employees doesn't include contract employees of Chennai plant
²The calculation does not include the 123 employees in the Netherlands' R&D operations

5.1%² in the reporting period. One of the reasons for this is that a majority of our workforce is drawn from the local communities which gives us an added advantage in the form of a closer tie with the communities in which we operate.

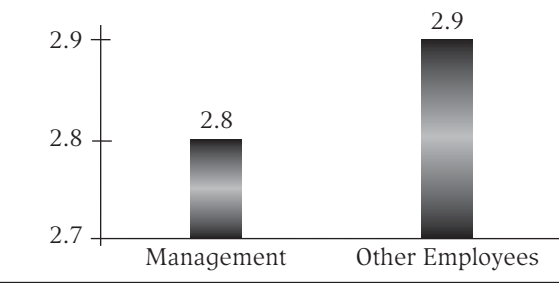
Training and Development

Apollo is committed to empowering its workforce to take ownership for their actions and responsibility for results, as well as to innovate and embrace change.

For the APMEA operations, highly specialised programmes like Technology Leadership Development Programme is carried out for R&D and manufacturing professionals at the corporate level. R&D professionals are sponsored for programmes in foreign universities and other tyre related organisations in India and abroad.

Figure 8

AVERAGE TRAINING MANDAYS (APMEA)



For the EA operations, 1,235 employees were provided training in marketing, sales and development, workshop values, production processes, skills, technical, management, tyre

technology, etc.

In the Corporate Offices, a total of 2,469³ man-days of training were provided to the managerial staff.

Human Development

The company not only empowers its employees with right skills, but also develops their capabilities by constantly monitoring their performances which is key to achieve better results.

The Performance Management System is aimed at objective evaluation of performance, identification of training needs and reward for good performance. Apollo believes in recognising and rewarding employees for outstanding performances to motivate them to achieve their targets and guide others to accomplish identified objectives and goals of the organisation. Programs like ‘Employee of the Year’ and ‘Roll of Honour’ help in this goal and also serve as a tool to enhance employee engagement.

Health and Safety at Work

Providing a healthy and safe environment to its employees is the company’s top priority. There has been a steady improvement of the safety standards of our equipment by bringing in effective engineering controls and implementing projects which obviate the need for manual interventions.

The company’s focus is on driving Behaviour Based

Safety across its manufacturing locations and follow international standards. The Indian operations are certified under OHSAS18001 (Occupational Health and Safety Management Systems).

In all its operations, the company has instituted formal health and safety committees at unit and department levels to ensure effective governance and management of health and safety performance. It has taken several initiatives to ensuring a safe working environment for its employees. Some of these are highlighted in figure 9.

No fatalities and occupational diseases were reported in any of the manufacturing locations.

In the APMEA operations, there were 2,172 accidents (including first-aid and major accidents) during the reporting period and 8,657 man-days were lost due to the injuries caused.

For the EA operations, 400 man-days were lost due to 79 accidents. The lost rate due to injury was 1.82, which has sharply come down from 62.2 in the previous year. The absenteeism rate was recorded at 4.95%.

There were no fatalities in either operations.

- Health Assistance Programmes

Across the two operations, the company continues to have various health assistance programmes for

Figure 9

SAFETY MEASURES TAKEN IN APMEA REGION				
SAFETY MEASURES	CHENNAI	LIMDA	KALAMASSERY	PERAMBRA
Fall arrest system installed	✓	✓		
Safety induction training	✓	✓		
Contractors’ safety management	✓	✓		
Road safety programme		✓	✓	✓
Work permit system for non-routine activities strengthened	✓	✓		
Hazardous chemical handling training			✓	✓
Equipment installed for safety			✓	✓
Regular inspection and awareness programmes	✓	✓	✓	✓

³The calculation does not include 123 employees for Netherlands' R&D operation

Figure 10

HEALTH RELATED TRAINING AND COUNSELLING PROGRAMMES					
		Education/ Training	Counselling	Prevention/ Risk Control	Treatment
Kalamassery					
	Workforce	✓	✓	✓	✓
	Worker's Families	✓	✓	✓	-
	Community Members	✓	✓	✓	-
Perambra					
	Workforce	✓	✓	✓	✓
	Worker's Families	✓	✓	✓	-
	Community Members	-	✓	✓	-
Limda					
	Workforce	✓	✓	✓	✓
	Worker's Families	-	-	-	-
	Community Members	-	-	-	-
Chennai					
	Workforce	✓	✓	✓	✓
	Worker's Families	-	-	-	-
	Community Members	-	-	-	-

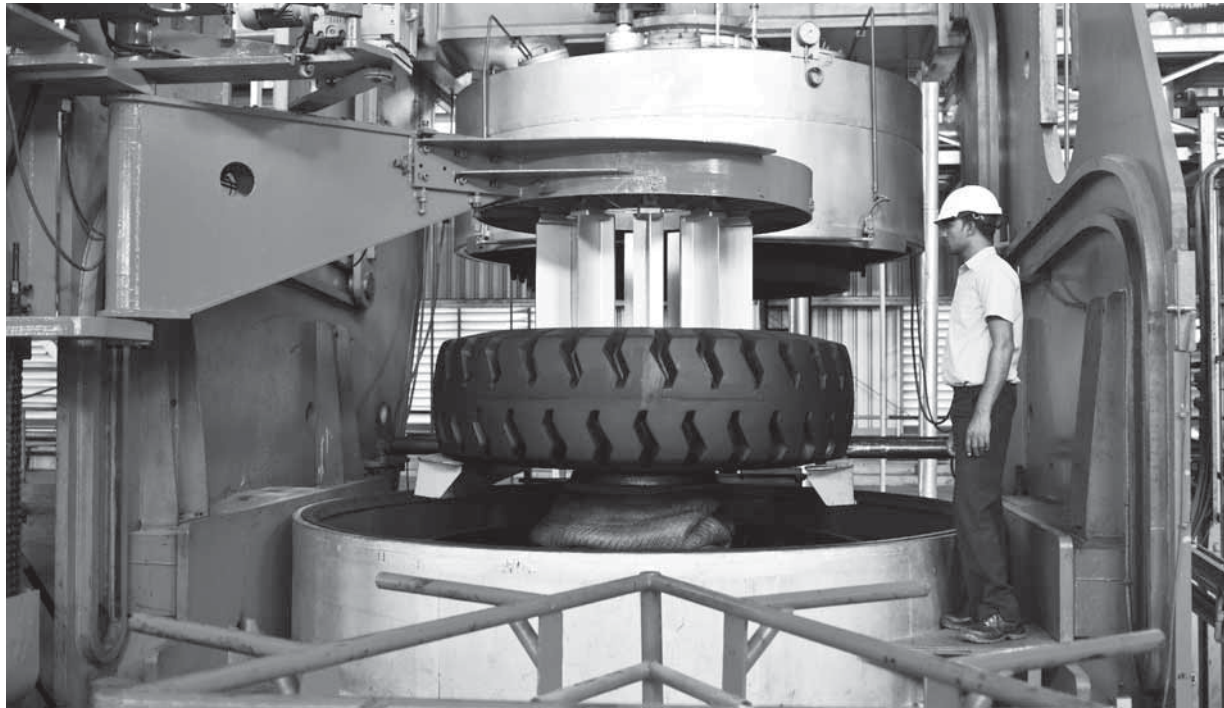
employees and their families. These include the HIV-AIDS awareness and prevention initiative, anti-tobacco and anti-alcohol programmes and the disease prevention initiatives.

Figure 10 gives details of the health-related training and counselling programmes conducted.

CARE FOR SUPPLY CHAIN PARTNERS

The company has identified supply chain to be a key

focus area of its operations. The supply chain spans from upstream (sourcing raw materials) through to downstream (selling the product through the company's network of distributors and dealers) activities. The organisation is constantly looking for avenues to develop new channel networks and create awareness of fair practices amongst the distributors. One such key initiative is a distinct retail concept for the rural markets, known as the Rural Exclusive



Women undertaking Khakra making - A livelihood generation initiative in a village around the Limda plant in India

Dealership (RED), whereby workshops are held to enable the customers to choose the right products and use it safely in order to increase efficiency.

The company considers its suppliers as long-term business partners and works together with them on environmental, economic and social aspects to enable sustainable business practices. The company encourages its suppliers to develop their environmental systems in compliance with the requirements of ISO14001 and to get their systems certified by a third party. The company expects its partners to comply with all national and other applicable laws and regulations in their operations. The company's suppliers have either pre-registered for REACH compliance or are in the process of such registration as per the registration deadline requirements, as applicable. The purchase policy is implemented in spirit through sustainable practices throughout its value chain. The Partner Code of Conduct (PCC) designed by the organisation, covers a wide spectrum of social, economic and environmental concerns. About 95% of the raw material suppliers have joined the company in accepting its code helping to strengthen the sustainability journey in its upstream supply chain.

Further, the company is geared up to meet all raw material related requirements with reference to usage of Polycyclic aromatic hydrocarbon free materials for

supply of tyres to Europe.

The company is also geared up to meet all the current and future tyre labelling requirements, as and where applicable.

Also, the company conducts CSR workshops for its partners to spread awareness about HIV-AIDS prevention and substance abuse with the help of its Corporate Purchase and CSR teams on a regular basis. This is in line with the risk minimisation strategy and creates synergy with its corporate CSR initiatives. Until now, 36 supplier plants have been covered under this programme by the master trainers and about 790 participants from suppliers have been trained.

CARE FOR COMMUNITY

Apollo Tyres is continuously engaging with the communities around its operations to develop mutually beneficial relationships with them. The activities are aligned with its business sustainability programme.

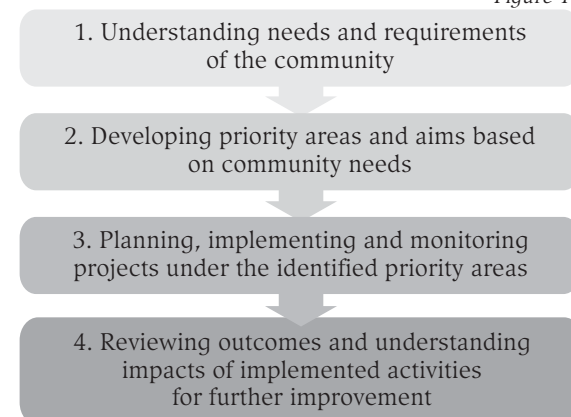
For the APMEA operations, the engagements are aimed at improving livelihood and general well-being of the communities and include activities to provide income avenues, skill-building, healthcare, environmental awareness and conservation and other social programmes.



Project U - Take home ration project

The nature of its community projects follow a clear and well-defined strategy with the objective of meeting the key needs of these communities, as shown in figure 11.

Figure 11



The company's initiatives and projects fall under four thrust areas, namely, livelihood generation, health, environment and supply chain

Livelihood Generation and Skill Building

The company seeks to develop entrepreneurial skills and impart vocational trainings to the unemployed youth and women and provide improved farming practices to raise income levels of the communities.

- Project U

This is a skill building and livelihood generation

programme being carried out in three locations in the APMEA operations- Chennai, Kochi and Vadodara. The targeted audience is being trained in many vocational skills such as apparel making, housekeeping, personal care, hospitality, making home cleaning agents, bouquet and cotton waste products for industry, etc.

Besides, Apollo Tyres Foundation has set up self-help groups in the villages as a part of Project U for the empowerment of women. Village women are trained to deal with various social issues like domestic violence, dowry, women's rights, etc.

In the reporting period, the programme provided skills training to 349 unemployed youth and women, out of which 131 have started earning.

- Improved Farming Practices

This project supports the farming community around the Limda plant by providing capacity building services such as modern ways of farming techniques, use of improved varieties of seeds and other ways to increase agricultural productivity and income. The project also offers services related to livestock care and management and breeding camps. In all, 207 farmers benefitted in various ways during the reporting period.

- Livelihood Initiatives

The EA operations provided labour training to 10 individuals who were unemployed for long to improve their job prospects. It also provided a certain percentage of employment to the disabled as per the local law mandate.

Environmental Protection

The company carried out various initiatives in the reporting period to preserve the environment.

- Clean My Transport Nagar

The Clean My Transport Nagar (CMTN) initiative aims at improving waste management and cleanliness of identified transport hubs in India, along with generating awareness on health and sanitation. It offers a spectrum of services like waste collection, waste segregation, daily cleaning of the streets and lanes, creating compost from biodegradable waste, waste recycling and creation of livelihood opportunities for rag-pickers.

The first CMTN project was started in 2012 in Delhi's Sanjay Gandhi Transport Nagar, followed by another at the Agra's Transport Nagar. Other transport hubs are being identified for replication and expansion of the project in the coming years.

During the reporting period, 15,959 kg of waste was collected through the project, which included biodegradable waste of 9,469 kg and non-biodegradable of 4,496 kg.

- Clean My Village

A community-based solid waste management project called Clean My Village, was initiated in Tamil Nadu. The project offers many services like daily waste collection, waste segregation, compost production, spreading awareness and advocacy on the integrated issues of waste, sanitation and health amongst various stakeholders in the community.

- Pond revival in Peringakulam

The company and the local gram panchayat jointly organised a cleaning drive in collaboration with the Tropical Institute of Ecological Sciences (TIES) of Kottayam to clean and revive the pond in Peringakulam. The drive was completed in 13 days during which 500 kg of waste was removed.

- Tree plantation

The tree plantation project is aimed at both carbon capture and livelihood generation for the farmers in the water starved areas of Tamil Nadu. The company has partnered with TIST Private Ltd of Chennai, India

Clean my Village – A community based solid waste management project near the Chennai plant in India



for this project in various districts of Tamil Nadu and aims to plant 1,00,000 saplings in four phases.

In the reporting period, the company has planted 44,000 teak wood saplings through the project which has benefitted 52 farmers.

Health Initiatives

The third thrust area is health for which the company runs one of the biggest and most inclusive programmes.

- HIV/AIDS Awareness and Prevention

The company has a comprehensive programme on HIV/AIDS awareness and prevention for all key stakeholders – employees, customers (truckers and allied population), supply chain partners and community, including partners/spouse of patients.

The company has targeted interventions in the form of 25 healthcare centres in transport hubs across India, including Mumbai, Chennai, Delhi, Kolkata and Ahmedabad, focusing on truck drivers, commercial sex workers and migrant labour. Three such centres were opened during the reporting period in Farakka (West Bengal), Patna and Nagpur.

In the reporting period, we reached out to over 41,953 people in the trucker targeted intervention

programme through various awareness programmes.

More than 54,168 people, including truckers and allied population, were treated out of which 3,305 truckers were treated for sexually transmitted infection (STI) and 39,951 counselled for HIV/AIDS. In all, 15,459 HIV tests were carried out, of which 111 tested positive.

Other health initiatives included six eye check-up camps organised at Sanjay Gandhi Transport Nagar in Delhi for drivers and allied population. The programme benefited 503 people, including 179 truck drivers. There were blood donation drives and hygiene improvement activities during which water dispensers were distributed.

Supply Chain Initiatives

The fourth thrust area is within our supply chain, where the company conducted a few initiatives for the Rubber Tapper community and Grading Centre employees. Eye check-up camp was organised for the employees of rubber grading centre in Kerala in which 29 employees were examined. Eighteen were diagnosed with vision problems and were prescribed spectacles. General medical camps were also organised for the tappers and grading centre workers in which 111 were given medical care.



Apollo Tyres' initiative to encourage tree plantation in Tamil Nadu, India



Apollo Tyres' 23rd health care clinic in West Bengal, India

Philanthropic Activities

The company also supports social causes as a part of its Corporate Social Responsibility (CSR) spending within India under the APMEA operations. The EA operations has also undertaken sponsorship of events and donations which are primarily targeted at disadvantaged and disabled women and children.

The activities are focused around support towards health, education and the disabled. Some of the initiatives included donations to the hospital to raise awareness about balanced diet and anaemia, support for education of blind school students and girls from under privileged sector, and donations made during natural disasters such as floods in Kashmir.

The EA operations is in direct contact with its local communities in Enschede and participates in various activities like providing information and attending question and answer sessions with the deans/ teachers and students at technical education institutions, joining excursions with students and representatives from the universities, industries, etc.

During the reporting period, the operations participated in 'The ALS Ice Bucket Challenge', supported chronically ill children and disabled

people and provided livelihood support to the unemployed. In January 2015, the operations also signed a co-operation agreement with the ROC van Twente and AOC Oost together with other companies in the processed food and feed industry for the start-up of a vocational centre for process technology in Eastern Netherlands.

GO GREEN

The company's Go Green initiatives stem from the belief that it can significantly contribute towards mitigating the environmental challenges and creating a positive impact on the ecosystem.

Raw Material Sourcing and Management

Tyre manufacturing relies on three primary raw materials: natural rubber, synthetic rubber and carbon black. Currently, these three comprise 68.2% of our total raw material volume consumption. For the APMEA operations, natural rubber claims the bulk of the raw material with a 67.9% share of the total rubber usage. In its EA operations, the company depends on natural and synthetic rubber.

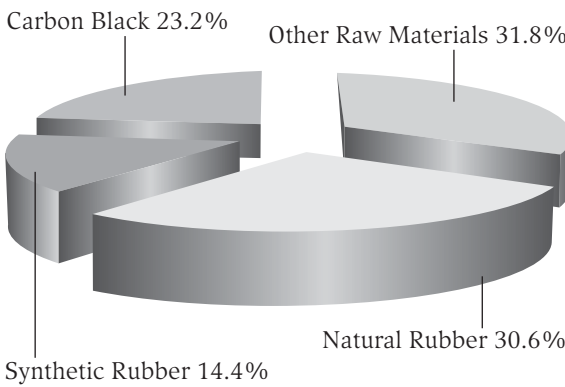
The use of raw material is determined by cost and availability. Since traditional natural rubber has seen



Community engagement in Limda village, India

Figure 12

TOTAL RAW MATERIAL CONSUMED IN APMEA AND EA REGIONS
In metric ton



Total raw material consumed across all our operations: 4,79,206 metric ton
Total recycled material: 6,868 metric ton (1.43% of the total raw material consumed)

high market volatility, the company has been actively seeking alternative natural sources such as Dandelion and Guayule through its EU PEARLS project.

The company continuously endeavours to cut down consumption by reducing material use through innovation in design of its tyres, without compromising on product quality and safety. Its R&D centres are dedicated to achieve this objective. In addition, it tries to recycle materials to the maximum extent to conserve resources.

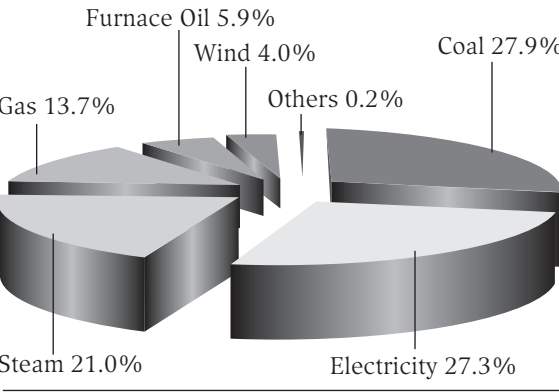
Energy Sourcing and Management

Direct energy sources play a direct role in the tyre manufacturing process as the component preparation and curing processes require intensive heat for stimulating chemical reactions between rubber and other materials.

Indirect energy sources (electricity and wind power) is used for functioning of utilities, fixtures and other peripheral requirements supplementing the manufacturing processes. The blend of energy sources is determined by availability, price and environmental considerations where climate change impacts are the most pressing issues.

Figure 13

SHARE OF ENERGY CONSUMED BY SOURCE (DIRECT AND INDIRECT)
Total energy consumption (both direct and indirect) - 41,23,990 GJ



The APMEA operations account for 86.3% (35,58,543.1 GJ) of total energy consumption. Though coal is the primary source of direct energy for the India operations, the company has consciously adopted clean energy sources to cut down carbon footprint. It uses wind energy in its Chennai and Limda plants, which is sourced through the grid. In the reporting year, 4.8% of total energy consumption of the India operations was sourced from wind power.

In the EA operations, energy consumption is 13.7% of the total energy (5,65,448 GJ) consumption. The company uses natural gas for all direct and electricity for indirect energy consumption as it is the predominant energy source in the Netherlands.

Greenhouse Gas (GHG) Emissions

The company is continuously working towards reducing Greenhouse Gas (GHG) emissions and climate change impacts in our sustainability journey. It has taken various initiatives which include reduction in energy consumption, focus on products like low rolling resistance and emission in transportation and logistics etc.

At present, most of energy requirement of the organisation is met from non-renewable sources. The company is consciously exploring possibilities of using clean energy even if it comes at a premium. For instance, the company uses wind energy in its Chennai and Limda plants.

As an effort to reduce emissions, the corporate R&D function at Enschede, the Netherlands, has a set of bicycles with allocated bay space at the premises, whereby employees are encouraged to use these as a mode of transport. There is also a battery operated car service, shuttling between the plant and the R&D office, to transport personnel with the aim to save fuel and emissions.

In the APMEA operations, GHG emissions in its Perambra and Chennai plants were reduced by taking a number of initiatives.

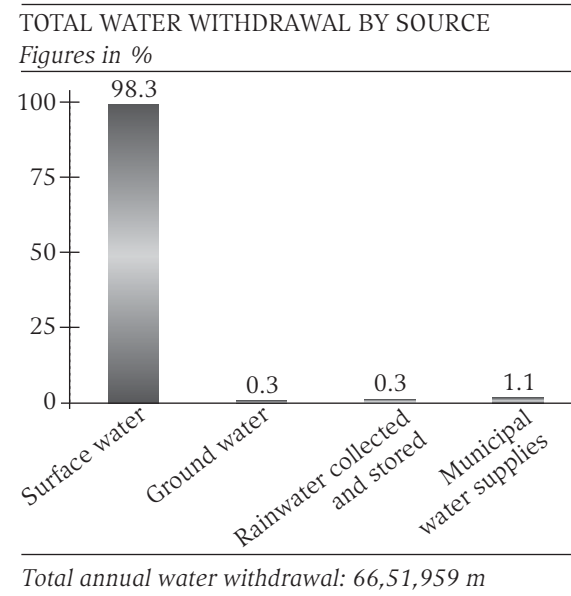
Water Sourcing and Management

Apollo recognises the importance of acting responsibly and implementing water conservation methods. The company is proud to declare that no water source was significantly affected by withdrawal of water for any of its operations. Further, the

Waste management and segregation project in Tamil Nadu, India



Figure 14



company has initiated a few projects in the APMEA operations to conserve water in the reporting period at the plant level. These included effective utilisation of sanitary water through wastage minimisation, employee awareness programmes, increasing in water recycling capacity, etc.

Waste Reduction and Management

The company has a well-structured waste management system at all its manufacturing locations which takes into account ISO14000 requirements. Our

focus is on minimising waste generated in its plants.

In all its operations, the total solid waste (waste rubber, scrap tyre, rubberised fabric etc.) generated has come down from 19,500 metric ton in FY14 to 15,149 metric ton in the reporting period.

Conservation of Biodiversity at our plant locations

Apollo is committed to protect and improve its environment to create a positive impact on the ecosystem. With this in mind, several initiatives have been carried out including waste management, protection of biodiversity, tree plantation, etc.

- Biodiversity Enhancement

The company has mapped the impact on biodiversity in its manufacturing locations through formal risk and impact assessment studies. As an outcome of this study, biodiversity conservation projects were initiated at our Perambra and Kalamassery plants.

These were:

- Development of snake repellent shrubs at the Perambra plant: Shrubs that repel snakes were planted in areas of high snake density to secure the main manufacturing premises;
- Apiculture at the Perambra plant: Boxes for beehives were placed on rubber trees for honey collection.

The snake repellent belt and fruit tree garden within the plant premises at Kalamassery and Perambra in India



- Theme gardens at the Perambra and Kalamassery plants: Butterfly gardens, fruit tree and herbal gardens were set up with relevant flora species.

Baseline surveys have been conducted for the other plants to identify biodiversity conservation projects which will be initiated in the near future.

INNOVATION

To achieve the goal of becoming a preferred global brand in the tyre industry, Apollo is continuously seeking to develop sustainable technologies and products that reduce risks and increase value for our stakeholders.

The company focuses on research and development of new materials, compound development, design and simulation that make our products more competitive and environment friendly.

Weight Reduction

Tyre weight optimisation without compromising tyre performance is a priority for the company. The company optimised the material usage by 2% for its high performance and ultra-high performance tyre range in the reporting period, which means reduction in total material used. Through this innovation, the

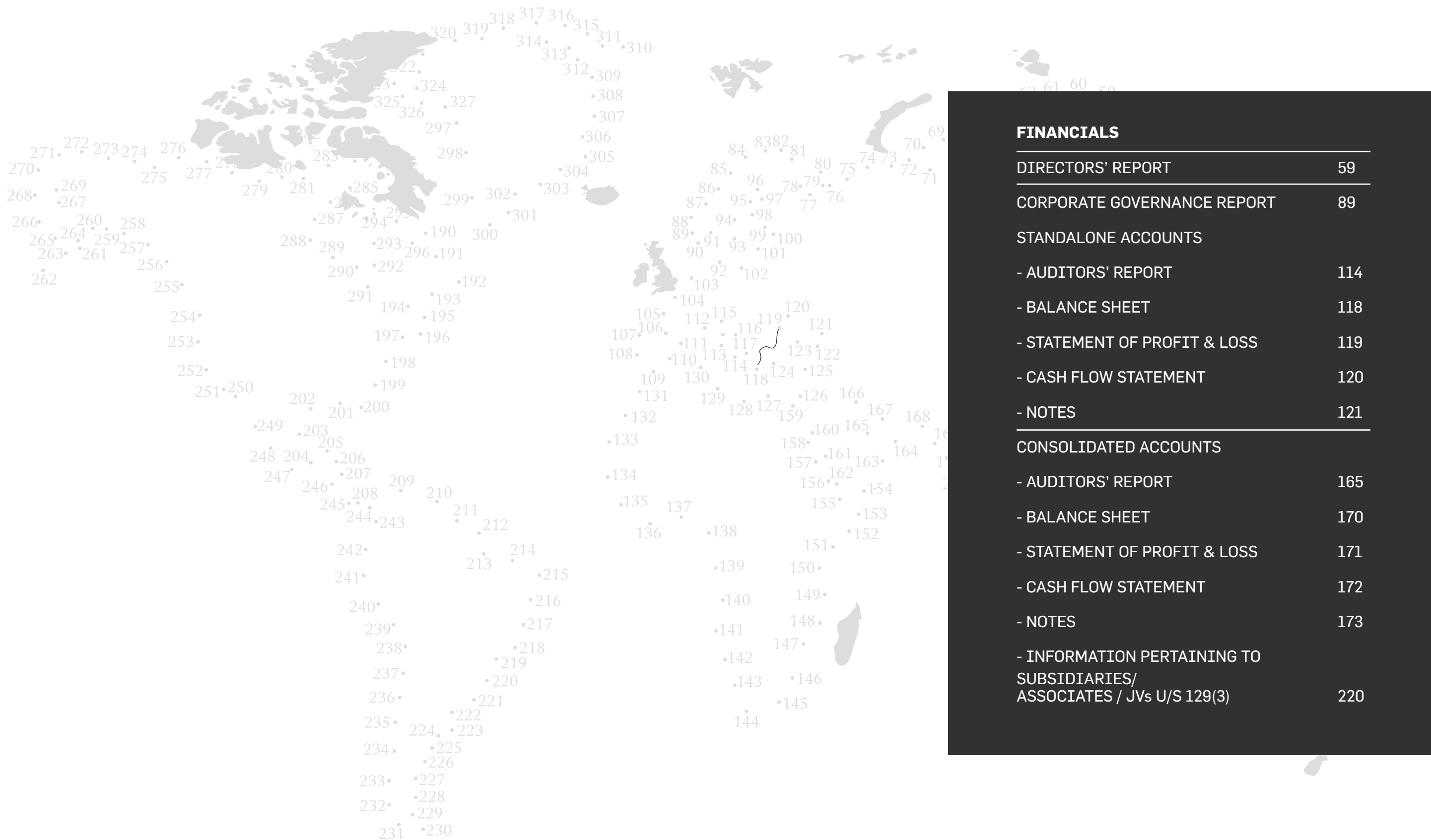
company also saves energy and lowers rolling resistance, which in turn, lowers fuel consumption of vehicles and reduces their CO₂ emissions.

Use of Silica Technology

The company is increasingly using silica as reinforcement material in place of carbon black, which is produced by burning petroleum oil, in developing new tyres. This helps us to cut down the use of fossil fuel. Besides, tyres with silica reinforcement give better fuel efficiency to vehicles, thereby, reducing CO₂ emission. Ford's upcoming vehicles will be using the product range, Apollo 3G Maxx.

Green Compound Technology

The company has invented a new tread compound with the carbon black reinforcing material whose performance in regards to rolling resistance is equivalent to that of the silica tread compound. This gives a winning edge to increase tyre fuel efficiency without compromising in manufacturing cost. This invention fulfils the need of new OE requirements in the Indian market. The target for the coming years is to further improve the label values of the existing product lines.



FINANCIALS

DIRECTORS' REPORT	59
CORPORATE GOVERNANCE REPORT	89
STANDALONE ACCOUNTS	
- AUDITORS' REPORT	114
- BALANCE SHEET	118
- STATEMENT OF PROFIT & LOSS	119
- CASH FLOW STATEMENT	120
- NOTES	121
CONSOLIDATED ACCOUNTS	
- AUDITORS' REPORT	165
- BALANCE SHEET	170
- STATEMENT OF PROFIT & LOSS	171
- CASH FLOW STATEMENT	172
- NOTES	173
- INFORMATION PERTAINING TO SUBSIDIARIES/ ASSOCIATES / JVs U/S 129(3)	220



DIRECTORS’ REPORT

Dear Member,

On behalf of the Board of Directors of your Company, we share with you the Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2015 is summarised below:

Particulars	Year ended		Year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Standalone		Consolidated	
Net Sales	88,783	86,101	127,257	133,103
Other Income	971	1,809	1,133	1,995
Operating Profit (EBIDTA)	13,530	11,781	19,844	19,734
Less: Depreciation/Amortisation Exp.	2,468	2,480	3,883	4,109
Finance Cost	1,721	2,446	1,828	2,838
Provision for Tax	2,890	1,718	3,532	2,268
Net Profit before Exceptional Items	6,451	5,137	10,601	10,519
Add: Exceptional Items	-	(711)	(825)	(468)
Net Profit	6,451	4,426	9,776	10,051

OPERATIONS

It was tough year for tyre makers and this is reflected in sales growth numbers at Apollo Tyres Ltd.

On a standalone basis, your Company achieved a net turnover of ₹ 88,783 million as against ₹ 86,101 million during the previous financial year. EBIDTA was at ₹ 13,530 million as compared to ₹ 11,781 million during the previous financial year. The net profit for the year under review was ₹ 6,451 million, as against ₹ 4,426 million in the previous fiscal, a growth of 46%.

The consolidated net turnover of your Company was ₹ 127,257 million during FY15, as compared to ₹ 133,103 million in FY14, due to restructuring of South Africa Operations. The consolidated EBIDTA was ₹ 19,844 million for FY15 as compared to ₹ 19,734 million for the previous financial year. On consolidated basis, Apollo Tyres earned net profit of ₹ 9,776 million for FY15 as against ₹ 10,051 million for the previous financial year.

RAW MATERIALS

During the year, the raw material cost declined around 9% over the last year.

Natural Rubber prices ruled lower in FY15 due to weak demand from major consuming blocks. The domestic rubber production in India continues to fall short of the demand and imports of rubber from Thailand, Malaysia and Indonesia were necessary to offset the shortfall in domestic supplies.

In order to ensure long term sustainability of our natural rubber supply chain, your Company supported the Kerala Government scheme of sourcing domestic rubber at 20% higher than international prices.

Brent Crude oil prices came down during the later part of the year touching a low of USD 45/bbl.This is primarily on account of OPEC members continuing to maintain their production levels despite steady rise in production from Non OPEC producers.

Synthetic Rubber prices remained subdued in the year under review, in view of general weakness in commodities and also due to softness in its inputs. Other Crude based raw materials such as carbon black displayed a similar trend.

The anti-dumping duty continued on imports of Nylon Tyre Cord fabric from China and carbon black imports from China, Thailand and Russia . Antidumping duty petition has also been filed for imports of carbon black from Korea. In addition the antidumping on certain rubber chemicals from China and Korea was increased during the last fiscal.

The average exchange rate of rupee has weakened by around 1% against the US dollar during the previous year.

The Company's focus on liquidity management and risk mitigation through alternate source development continued during the year.

In India with the Government committed to investment in Infrastructure, it should augur well for the automobile and the tyre industry. The raw material prices are likely to recover in the later part of the year with improvement in automobile demand and pick-up in economic activity.

DIVIDEND

Your Company has a consistent track record of dividend payment. The Directors are pleased to recommend a dividend of ₹ 2/- (200%) per share of ₹ 1/- each on Equity Share Capital of the Company for FY15 for your approval. There will be no tax deduction at source on dividend payments, but your Company will have to bear tax on dividend @ 20.36 %, inclusive of surcharge.

The dividend, if approved, shall be payable to the shareholders registered in the books of the Company and to the beneficial owners as per details furnished by the depositories, determined with reference to the book closure from August 6, 2015 to August 11, 2015 (both days inclusive).

RESERVES

The amount available for appropriations, including surplus from previous year amounted to ₹ 17,571.27 million. Surplus of ₹ 15,045.97 million has been carried forward to the balance sheet after providing for dividend of ₹ 1,018.05 million, dividend tax of ₹ 207.25 million, debenture redemption reserve of ₹ 300.00 million and general reserve of ₹ 1000.00 million.

RESTRUCTURING

Apollo Tyres Africa Proprietary Limited, subsidiary in South Africa (the residual operation after the sale of the main business to Sumitomo Rubber Industries last year) voluntarily initiated Business Rescue Proceedings on September 15, 2014, as per the provisions of the South Africa Companies Act due to prevailing adverse business conditions. A Business Rescue Plan, to help the Subsidiary Company to restructure its operations, was submitted to Companies and Intellectual Property Commission (CIPC) on October 22, 2014.

Due to uncompetitive cost structure and continuous labour unrest and related activities resulting in lack of viability, Company decided to close the Durban manufacturing plant w.e.f. November 30, 2014 which impacted around 600 personnel.

Business Rescue proceedings were terminated on March 11, 2015 after the successful implementation of the business rescue plan. Now the aforesaid Subsidiary Company has returned to a status of 'in business'. A notice for confirming the termination of Business Rescue Process has been submitted to Commissioner of Companies and Intellectual Property Commission (CIPC) on March 12, 2015.

The Company continues its trading activities in Africa, selling both Apollo and Vredestein branded tyres throughout the continent.

BOARD OF DIRECTORS

A) Appointment/Re-appointment of Directors

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

Mr Sunam Sakar is not disqualified under Section 164(2) of the Companies Act, 2013.

B) Changes in Directors and Key Managerial Personnel

During the year under review, Mr U S Oberoi (DIN:00058606), Chief (Corporate Affairs) & Whole time Director, ceased to be a Director of the Company with effect from November 26, 2014.

Mr K Jacob Thomas (DIN:00015603) has resigned from the Directorship of the Company with effect from May 8, 2015.

Mr Raj Banerji was appointed as the Chief Financial Officer, with effect from February 6, 2015, in place of Mr Sunam Sarkar who was re-designated as President & Chief Business Officer and Whole Time Director. However, Mr Raj Banerji has resigned with effect from April 30, 2015. His resignation was precipitated due to fundamental change to the structure of his role which would have required him to relocate to India having recently relocated to UK.

Mr Gaurav Kumar has been appointed as Chief Financial Officer, with effect from May 12, 2015.

Ms Seema Thapar has been appointed as Company Secretary of the Company with effect from April 1, 2015 due to retirement of Mr P N Wahal.

C) Declaration by Independent Director(s)

In terms with Section 149 (7) of the Companies Act, 2013, every Independent Director of the Company has submitted a declaration that they meet the criteria of Independence.

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 of the Board is also required to carry out evaluation of every Director's performance. Accordingly your Company has carried out the Performance Evaluation as required during the year under review.

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. The tool takes the form of a series of assertions/questions which should be awarded a rating on a scale of 1 to 5 by all individual Directors. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself. On the basis of the response to the questionnaire, a formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

E) Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors was held on October 29, 2014.

The Independent Directors at the meeting reviewed the following:-

- Performance of non independent Directors and Board as a whole.
- Performance of the Chairperson of the Company, taking into account the views of executive Directors and non- executive Directors.
- Assess 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 Company's policy on Directors' appointment & remuneration is stated in the Corporate Governance Report.

PRODUCT & MARKETING

For Apollo Tyres, it was a year of maintaining its leadership position in India, expanding the product portfolio across the globe and pushing into new markets.

The APMEA (Asia Pacific, Middle East & Africa) operations undertook multiple initiatives like announcing the start of the retreading business in India, launching India's largest loader tyre at the IMME 2014 or introducing the ALT 188 TX tyre with the industry's first traction tread design. The Company introduced its Apollo and Manchester United co-branded tyres in Thailand and launched a new cross ply technology based tyre, AWR-HD with Apollo HDF technology, for the Indonesian market. It opened its first Apollo Zone in Kuwait and continued with the brand building exercise with its Performance - There are no Shortcuts – campaign during the year.

Following a similar strategy, the EA (Europe & America) operations announced product launches of the Apollo Alnac 4G – All Season and Winter tyres, Vredestein Quatrac 5 and Snowtrac 5 tyres. The operation also embarked on a six-month promotional tour across 8 countries in Europe to introduce its full range of Apollo branded industrial tyres to end users and tyre specialist.

Your Company exports to over 100 countries across the globe. The products, including heavy and light commercial tyres, passenger car tyres, etc are finding acceptance in many markets due to the high product quality.

EXPANSION PROGRAMME AND FUTURE OUTLOOK

The Company seeks a higher market share in the European region. Currently, the Company is unable to fully meet the demand in Europe for its tyres due to capacity constraints. In light of demand supply situation in Europe a Greenfield Project in Hungary will be established in next 4 years, at a project cost of approximately Euro 500 million. This will be funded with internal accruals and debt at the European subsidiary level. The planned capacity is expected to be 5.5 Mn Passenger Car Tyres (PCR) per annum and 675,000 Truck Bus Radial Tyres (TBR) per annum.

Further, the Company sees a huge potential in the ASEAN region. As a way forward, the Company will continue to follow its stated policy of seeking growth opportunities. The Company will look at capacity expansion, Greenfields and Brownfields in line with its overall growth strategy. One of the key pillars for the Company's success will be technology. To further strengthen this, the Company has setup a commercial vehicle tyre R&D facility in Chennai, India, as well as a passenger vehicle tyre R&D centre in the Netherlands.

During the year, the Board has approved a capital expenditure of USD 340 million for an expansion at the Chennai plant for the Truck & Bus radial tyre capacity from the present 6000 tyres per day to 8900 tyres per day and at Kalamassery plant for Conversion of the company's leased operations from bias truck tyres to speciality/industrial tyres.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

INTERNAL FINANCIAL CONTROLS

The Company has identified and documented all key internal financial controls, which impacts the financial statements, as part of its Standard Operating Procedures (SOPs). The SOPs are designed for all 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. The financial controls are tested for operating effectiveness through management ongoing monitoring and review process and independently by the Internal Audit. In our view the Internal Financial Controls, effecting the financial statements are adequate and are operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by clause 49 of the listing agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the annual report.

SUBSIDIARY/ASSOCIATE & JOINT VENTURE COMPANIES

As the Company follows its global ambition to become a global tyre brand of choice, it had to create multiple subsidiaries/ associate and joint venture for facilitating these operations in various countries. As on March 31 2015, your Company has 35 subsidiaries including step subsidiaries, 1 associate and 1 joint venture.

During the year under review, the Company had incorporated Apollo Tyres (Greenfield) Co- Operatief U.A as its subsidiary on June 4, 2014 in Amsterdam.

Apollo Tyres B.V had incorporated Apollo Tyres Hungary Kft as its wholly owned subsidiary on June 4, 2014 in Hungary.

Apollo Tyres (UK) Pvt. Ltd. had incorporated Apollo Tyres Propvest (UK) Ltd. as its wholly owned subsidiary on December 12, 2014 in London.

Apollo Tyres (Lao) Co. Ltd, wholly owned subsidiary of Apollo Tyres Holdings (Singapore) Pte Ltd. was wound up on May 19, 2014.

Apollo Acquisition Corp wholly owned subsidiary of Apollo Tyres B.V was wound up on March 13, 2015.

UK ATL Holdings Limited, along with its subsidiaries viz. Dunlop Zimbabwe (Pty) Ltd., Radun Investments Pty Ltd, and AFS Mining (Pvt) Ltd and associate viz. National Tyre Services Ltd., ceased to be subsidiaries and associate of the Company w.e.f March 3, 2015.

As per the provisions of section 129 of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries are attached in the annual report. A statement containing brief financial details of all the subsidiaries of the Company for the year ended March 31, 2015 forms part of the annual report. The annual accounts of subsidiary companies will be made available to shareholders on request and will also be kept for inspection by any shareholder

at the registered office and corporate headquarter of your Company. A statement in Form AOC-1 containing the salient feature of the financial statements of the Company's subsidiaries, associate and joint venture is also attached with financial statements.

DEBENTURES

The following series of Debentures were redeemed during the year:

Redemption Date	Particulars	Redemption Amount (₹ Million)
August 30, 2014	10.10% 2000 Non Convertible Debentures - Un-Secured	2,000
December 16, 2014	09.70% 1000 Non Convertible Debentures - Un-Secured	1,000
February 2, 2015	11.50% 1000 Non Convertible Debentures - Secured	417
March 29, 2015	10.15% 1000 Non Convertible Debentures - Secured	1,000

DEPOSITS

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

AUDITORS

M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants, (Registration No.008072S), had been appointed as Statutory Auditors of your Company, for a period of three years from FY15 to FY17 at the Annual General Meeting held on August 6, 2014. However, as per the first proviso of Section 139 (1) of the Companies Act, 2013, the appointment of auditors has to be ratified by the members at every annual general meeting.

The Company has received a letter from the auditors confirming that they are eligible for re-appointment as auditors of the Company under section 139 of Companies Act, 2013 and meet the criteria for appointment specified in section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee and as per the provisions of Section 139 (1), of the Companies Act, 2013 the Board of Directors of your Company proposes to ratify the appointment M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants, as the Statutory Auditors of the Company for FY16.

AUDITORS' 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.

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 facilities at Perambra, Vadodara and Chennai as well as Company's leased operated plant at Kalamassery for the FY15.

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 FY16 subject to shareholder's 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.

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 the Listing Agreement with Stock Exchanges. The details of all Board/Committee meetings held are given in the Corporate Governance Report.

EXIT/DELISTING FROM STOCK EXCHANGE

Securities and Exchange Board of India (SEBI) has granted exit order dated December 23, 2014 to the Cochin Stock Exchange (CSE) and the Stock Exchange has returned its license to SEBI. In light of the said order, all the provisions of Listing Agreement, would be applicable to Companies listed with CSE, till the quarter ended December 31, 2014. As the Cochin Stock Exchange is no longer in existence, your Company would remain listed on the Stock Exchanges namely NSE & BSE.

AUDIT COMMITTEE

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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 is 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 Listing Agreement, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

SHARE CAPITAL

During the year under review, the Issued, Subscribed and Paid-up Share Capital of the Company has been increased from 50,40,24,770 Shares of ₹ 1 each to 50,90,24,770 shares of ₹ 1 each, due to allotment of 50,00,000 Equity Shares of face value of ₹ 1 each on June 19, 2014, pursuant to conversion of 50,00,000 warrants issued to promoters on December 21, 2012 on preferential basis.

a) Issue of equity shares with differential rights

Your Company has not issued any Equity Shares with differential rights during the year under review.

b) Issue of sweat equity shares

Your Company has not issued any Sweat Equity Shares during the year under review.

c) Issue of employee stock options

Your Company has not issued any employee stock options during the year under review.

d) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

Your Company has not made any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employees during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013. However, details of investment made during the year, are given under notes to the Finanacial 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 disclosure as required by the Accounting Standards (AS18) has 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 Directors' Report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has in place a formal policy for prevention of sexual harassment of its women employees in line with “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.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s .P.I. & Associates, Company Secretaries as Secretarial Auditor of the Company for FY15 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.

AWARDS AND RECOGNITIONS

In its constant quest for growth and achievement, 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
Intermedia Globe	Advertising	World Media Festival – Global Competition for Modern Media
Investor of the Year 2014	Largest Greenfield Investment of the year	Agency (HIPA) and the Ministry of Foreign Affairs and Trade
Gujarat State Level Quality Circle Competition 2015	-	C I I
Asia's Best Company to work for 2014	Auto Component	Great Place to Work 2014
India's Best Company for CSR	Auto Ancillary	The Economic Times
Rubber Man of the Year	-	Rubber Asia
Next Generation Leader Award 2014	-	Manufacturing Today
National Productivity Competition 2014	-	Indian Institute of Industrial Engineering (IIIE)
The SMARTIES India Awards 2014	In-App Advertising Gaming or Other	Mobile Marketing Association (MMA)
India's Best Company to work for 2014	Auto Component	Great Place to Work 2014

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 or threaten its existence.

The Risk Management Steering Committees have been formed headed by President (APMEA) and President(EA) 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 its mitigation. The risks are documented in form of risk register, which is placed before audit committee, at its meeting. The audit committee of the Company reviews the risks of APMEA and EA regions and provides its directions to the management, if any. The audit committee updates the Board on the key risks placed before it.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been taking initiatives under Corporate Social Responsibility (CSR) for society at large, well before it has been prescribed through the Companies Act 2013. The Company has a well defined Policy on CSR as per the requirement of Section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. The Company has in-house department which is exclusively working towards that Objective. The Company is carrying out its CSR Activities through registered trust created by the Company for this purpose and which is monitored by CSR Committee.

During the year under review, your Company has carried out activities primarily related to promoting preventive health, ensuring environmental sustainability, livelihood enhancement projects, rural development projects, promoting education and eradicting of hunger, poverty & malnutrition.

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 forms part of the Boards Report as Annexure II.

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 III, forming part of this report.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form MGT– 9 is enclosed herewith as Annexure IV, forming part of this report.

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. Deloitte Haskins & Sells, Chennai, chartered accountants, Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance, as stipulated under clause 49 of the listing agreement with the stock exchanges, is attached herewith as Annexure V to this report.

DIRECTORS’ RESPONSIBILITY STATEMENT

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

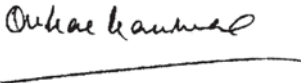
- (a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and 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.

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 and Tamil Nadu, and the National Governments of India, South Africa, Hungary and the Netherlands. We also thank our customers, business partners, members, bankers and other stakeholders for their continued support during the year. We place on record our appreciation for the contribution made by all employees towards the growth of your Company.

For and on behalf of the Board of Directors



(Onkar S Kanwar)

Chairman & Managing Director

Place: Gurgaon

Date : May 12, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2015

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, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter.

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 31st March, 2015, 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable)

- (vi) Other laws specifically applicable to the company:
 - (a) Environment (Protection) Act 1986 and various rules made there under.
 - (b) Air (Prevention and control of pollution) Act, 1981 and rules made there under.
 - (c) Water (Prevention and control of pollution) Act, 1974 and rules made there under.
 - (d) Apprentices Act, 1961 and Apprenticeship Rules, 1992
 - (e) Arms Act , 1959
 - (f) Bombay Labour Welfare Fund Act, 1953 and Labour Welfare Fund (Gujarat) Rules, 1962
 - (g) The Customs Act, 1962
 - (h) Central Excise Act, 1944 & Cenvat Credit Rules, 2004
 - (i) Central Sales Tax Act, 1956 and Central Sales Tax (Registration and Turnover) Rule, 1957
 - (j) Cenvat Credit Rules, 2004
 - (k) Chennai City Municipal Corporation Act, 1919 and rules made there under.
 - (l) Child Labour (Prohibition & Regulation) Act, 1986
 - (m) Cigarettes & Other Tobacco Products Act, 2003 & Prohibition of Smoking in Public Places Rules, 2008
 - (n) Contract Labour Regulation and Abolition Act, 1970
 - (o) Customs Valuation (Determination of Value of Imported Goods) Rules, 2007
 - (p) Electricity Act, 2003, and Indian Electricity Rules, 1956/2005
 - (q) Employee Deposit Linked Insurance Scheme, 1976
 - (r) Employees Compensation Act, 1923 and rules made there under.
 - (s) Employees Provident Fund and Miscellaneous Provisions Act 1952
 - (t) Employees State Insurance Act, 1948
 - (u) Employment Exchanges Act, 1959 and Rules made there under.
 - (v) Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976
 - (w) Explosives Act, 1884 and rules made there under.
 - (x) Factories Act, 1948
 - (y) Finance Act, 1994 and Service Tax Rules, 1994
 - (z) Food Safety and Standards Act, 2006 and rules and regulations made there under.
 - (aa) Foreign Trade Policy
 - (bb) Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rules,1993
 - (cc) Gujarat Panchayats, Municipalities, Municipal Corporations Act, 1976 and rules made there under
 - (dd) Haryana Lifts and Escalators Act, 2008 and Haryana Lifts and Escalators Rules, 2009
 - (ee) Income Tax Act, 1961 and Income Tax Rules, 1962
 - (ff) Industrial Employment Act, 1946
 - (gg) Information Technology Act, 2000 and rules made there under
 - (hh) Kerala Labour Welfare Fund Act, 1975 and Kerala Labour Welfare Fund Rules, 1977
 - (ii) Kerala Municipality Act, 1994
 - (jj) Kerela Industrial Establishment Act, 1958 and Kerela Industrial Establishments Rules, 1959
 - (kk) Legal Metrology Package Commodities Rules, 2011
 - (ll) Maternity Benefit Act, 1961
 - (mm) Minimum Wages Act, 1948
 - (nn) Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989
 - (oo) Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975

- (pp) Payment of Gratuity Act, 1972
- (qq) Payment of Wages Act 1936
- (rr) Petroleum Act, 1934 and Petroleum Rules, 2002
- (ss) Professional Tax Act,1987
- (tt) Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991
- (uu) Punjab Shops and Commercial Establishment Act 1958
- (vv) Sexual Harassment of Women At Workplace Prevention, Prohibition Redressal Act, 2013
- (ww) Shipping Bill and Bill of Export (Form) Regulations, 1991
- (xx) The Tamil Nadu Industrial Establishments (Conferment of Permanent Workmen) Act, 1981 and rules made there under.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not Applicable)
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the company has two (2) events and the details of which are as follows:

- i. The Company has allotted 50 lac equity shares of ₹ 1/- each against receipt of the full payment on exercise of option of conversion of 50 lac warrants into equity shares in accordance with the terms and conditions of issue of warrants.
- ii. The Company has passed following resolutions by way of postal ballot:-
 - o Limits of borrowing u/s 180(1)(c) upto ₹ 50,000/- million, as special resolution &
 - o Creation of security u/s 180(1)(a) in connection with the borrowings, as special resolution.

For PI & Associates,
Company Secretaries

Sd/-
Sakshi Seth
Partner
ACS No.:20740
C P No.:8050

Place: Delhi
Date: May 11, 2015

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2014-15

1. Outline of Company’s CSR Policy

The CSR approach stems from Company's vision statement focusing on “continuously enhancing stakeholder value", which includes the larger society and environment in which the Company operates.

CSR projects or initiatives linked with social and environmental issues in which the Company operates are routed through registered trusts established by the Company

CSR policy of Apollo covers all the activities which are mentioned in Schedule VII of Companies Act, 2013 but doesn't include the following:

- Activities undertaken in pursuance of normal course of business of the Company
- Activities that benefit only the employees of the company and their families
- Contribution to any political party

Apollo has undertaken following initiates which follow a clear and well defined strategy to ensure that the key needs of communities are met:

- Environmental Initiatives- HabitAt Apollo is Company's umbrella environment programme under which different initiatives such as Green O Bin Paper recycling, employee engagement on environment sustain-ability, afforestation, organic farming and clean my transport nagar etc. are undertaken
- Social Initiatives- Under social development the focus is on the stakeholder engagement and enriching the communities where we operate. The philosophy is of self reliance and revolves on three principles i.e. influ-ence, involve and impact. The programmes focus on public health issues, sustainable livelihood & income generation, women empowerment and community mobilization. Keeping in mind the social initiatives and other issues, Company has undertaken different projects viz. HIV-AIDS Awareness and Prevention Pro-gramme on health for customers, , Project U, livelihood programme for communities, Improved Farming Practices for farmers, hygiene & sanitation in schools, waste management in communities.

All CSR projects are reviewed on monthly and quarterly basis.

Projects or Programs proposed to be undertaken

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

a) Environmental Initiatives

- Tree plantation with objective of carbon sequestering (programme already initiated)
- Bio diversity project in the community around Kerala
- Bio diversity study around Limda community
- Waste Management project in the community around Chennai
- Water project around Chennai

b) Social Initiatives

- 3 new clinics
- 4 additional villages in Perambra
- 3 additional villages around Limda
- Integration of substance abuse pilot project in one clinic
- Women forum extension to community
- Extension of nutrition and health camp with women in grading centre, Kottayam
- Project plan with tapper community, Kottayam

c) Philanthropic Activities

- Support to National Association for Blind
- Support to Kabliji Hospital for underprivileged
- Sponsorship of education of underprivileged girls in Uttarakhand (Him Jyoti School)

- 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 <http://www.apollotyres.com/uploads/corporate-social-responsibility-policy.pdf>
2.

The Composition of the CSR Committee.

CSR Committee comprises of following Directors:

a. Mr Onkar S Kanwar, as Chairman of the Committee

b. Dr S Narayan, as Member of the Committee

c. Mr Sunam Sarkar, as Member of the Committee

The Company Secretary acts as the secretary of the Committee.
3.

Average net profit of the company for last three financial years is ₹ 4,237 Million
4.

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹ 84.7 Million
5.

Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year is ₹ 84.7 Million

(b) Amount unspent is ₹ 27.9 Million

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing agency*
1	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Vijayawada, Andhra Pradesh	1.62	1.54	1.54	Implementing agency- Vasavya Mahila Mandali
2	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Guwahati, Assam	1.68	1.67	1.67	Implementing agency- Global Organisation for Life Development
3	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Patna, Bihar	1.54	0.71	0.71	Implementing agency- Step Foundation
4	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	5.27	5.11	5.11	Direct
5	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Health Care Centre, Ahmedabad & Surat, Gujarat	1.65	1.53	1.53	Implementing agency- Kaira Social Service Society & Ambuja Cement Foundation

6	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Health Care Centre, Barmana & Nalagarh, Himachal Pradesh	1.56	1.56	1.56	Implementing agency- Himachal Pradesh Vol-untary Health Association & Ambuja Cement Foundation
7	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Health Care Centre, Cochin, Kerala	1.91	1.43	1.43	Direct & Implement- ing agency- Rajiv Youth Foundation
8	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Indore, Madhya Pradesh	1.59	1.51	1.51	Implementing agency- ASRA Samajik Lok Kalyan Samiti & Adarsh Jan Seva Samiti, Khajrana
9	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Mumbai, Nagpur & Pune, Maha- rashtra	3.71	3.48	3.48	Implementing agency- ALERT INDIA, Young Men's Christian Associa- tion (YMCA) & Magmo Welfare Sanstha
10	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Ludhi- ana, Punjab	1.57	0.20	0.20	Implementing agency- Count India
11	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Jaipur & Jodhpur, Rajasthan	2.80	2.63	2.63	Implementing agency- Society for Integrated Developmental Activities Research & Training, Count India & Meera Sansthan
12	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Apollo Tyres Health Care Centre, Agra, Kanpur & Varansi, Uttar Pradesh	4.86	4.86	4.86	Implementing agency- Jan Chetna Sewa Samiti & Jan Kalyan Maha Samiti
13	HIV-AIDS awareness & prevention programme (Targeted Intervention)	Promoting Pre-ventive Health	Health Care Centre, Farakka & Kolkata, West Bengal	2.25	1.44	1.44	Implementing agency- Ambuja Cement Founda- tion
14	Pilot Project on eye check up camps organ- ised for truckers and allied population	Promoting Pre-ventive Health	Sanjay Gandhi Trans- port Nagar, Delhi.	0.05	0.05	0.05	Implementing agency- Vision Spring
15	Health Camps for Grad- ing Centre Employees & Farmers	Promoting Pre-ventive Health	Kodakara panchayat Thrissur	0.02	0.02	0.02	Direct
16	Health Camps for Grad- ing Centre Employees & Farmers	Promoting Pre-ventive Health	Vazhoor, Kottayam	0.03	0.03	0.03	Direct
17	Furniture Support to Govt. Ayurvedic Hospital	Promoting Pre-ventive Health	Kodakara, District- Thrissur, Kerala	0.05	0.05	0.05	Implementing agency- Hospital Management Committee, Govt. Ayur- veda Hospital, Kodakara
18	General health & eye care treatment support to the under privileged rural community	Promoting Pre-ventive Health	Gurgaon, Haryana	3.00	3.00	3.00	Implementing agency- Sardar Ram Singh Kabli and Sardarni Harnam Kaur Trust

19	Baseline & Impact Assessment of Targeted Intervention projects at 10 clinics in India	Promoting Pre-ventive Health	Varansi(Uttar Pradesh), Pune(Maharashtra), Farakka(West Bengal), Patna(Bihar), Cochin(Kerala), Nagpur(Maharashtra), Surat(Gujarat), Barmana(Himachal Pradesh), Guwahati(Assam) & Vijayawada(Andhra Pradesh)	1.75	1.75	1.75	Implementing agency- Kadence International Pvt. Ltd.
20	Social Return On Investment study of targeted intervention project at 22 clinics in India	Promoting Pre-ventive Health	Varansi(Uttar Pradesh), Pune(Maharashtra), Farakka(West Bengal), Patna(Bihar), Cochin(Kerala), Nagpur(Maharashtra), Surat(Gujarat), Barmana(Himachal Pradesh), Guwahati(Assam) & Vijayawada(Andhra Pradesh)	1.12	1.12	1.12	Implementing agency- Thought Arbitrage Consulting
21	Baseline study on open defecation	Promoting Pre-ventive Health	Senakuppam & Mathur Panchayat, Sriperumbudur Taluka, Chennai	0.04	0.04	0.04	Implementing agency- Environmentalist Foundation of India
22	Baseline study on Menstrual Hygiene in 2 Govt. schools	Promoting Pre-ventive Health	Senakuppam & Mathur Panchayats, Sriperumbudur Taluka, Chennai	0.22	0.22	0.22	Implementing agency- FSL India
23	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Sanjay Gandhi Transport Nagar, Delhi	2.03	2.01	2.01	Implementing agency- Indcare Trust & Direct
24	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Transport Nagar, Agra, Uttar Pradesh	2.01	1.65	1.65	Implementing agency- Centre for Urban and Regional Excellence
25	Tree plantation & Livelihood project	Ensuring environmental sustainability	Kanchipuram, Tiruvanamali district Tamilnadu	1.13	1.13	1.13	Implementing agency- TIST Tree Planting India Private Limited
26	Community solid waste management project; Clean My Village	Ensuring environmental sustainability	Senakuppam and Mathur Panchayat, Sriperumbudur Taluka, Chennai	0.66	0.63	0.63	Implementing agency- Help Foundation
27	Baseline Study on Community Solid waste management	Ensuring environmental sustainability	Mathur & Senna-kuppam panchyats, Sriperumbudur Taluka, Chennai	0.10	0.10	0.10	Implementing agency- Help Foundation

28	Clean drinking water project baseline study	Ensuring environmental sustainability	Mathur & Senna-kuppam panchyats, Sriperumbudur Taluka, Chennai	0.22	0.22	0.22	Implementing agency- Water Life India Private Limited
29	Baseline study for solid waste management project at Transport Nagar	Ensuring environmental sustainability	Kapur (Uttar Pradesh), Jodhpur & Jaipur (Rajasthan)	0.94	0.53	0.53	Implementing agency- Jan Chetna Sewa Samiti & Practical Action Consulting (India) Pvt. Ltd.
30	Biodiversity impact assessment study	Ensuring environmental sustainability	Limda, Baroda, Gujarat	1.00	0.92	0.92	Implementing agency- Kadam Environmental Consultants
31	Pond management baseline study	Ensuring environmental sustainability	Alwa & Limda, Baroda, Gujarat	0.15	0.15	0.15	Implementing agency- Gujarat Ecology Society
32	Pond management baseline study	Ensuring environmental sustainability	Perambra Distt. Thrissur, Kerala	0.40	0.40	0.40	Implementing agency- Tropical Institute of Ecological Science
33	Skill building & income generation projects for the community	Livelihood enhancement projects	Waghodiya Taluka, Baroda, Gujarat	0.19	0.19	0.19	Implementing agency- Indo Global Social Service Society
34	Take home Ration project	Livelihood enhancement projects	Waghodiya Taluka, Baroda, Gujarat	0.20	0.20	0.20	Implementing agency- Indo Global Social Service Society
35	Skill building & income generation projects for the community	Livelihood enhancement projects	Senakuppam, Mathur Panchayat & Orgadam, Chennai, Tamil Nadu	1.35	1.35	1.35	Implementing agency- Labournet India Services Private Limited
36	Skill building & income generation projects for the community	Livelihood enhancement projects	Kodakara Panchayat, Perambra, Kerala	1.09	1.09	1.09	Implementing agency- Rajagiri Outreach
37	Baseline on unemployment status	Livelihood enhancement projects	Mathur & Sennakuppam, Vallakottai, Vallam & Mettupalayam panchayat, Sriperumbudur Taluka, Chennai	0.13	0.13	0.13	Implementing agency- ADRA India
38	Baseline study for undertaking livelihood project	Livelihood enhancement projects	Kodakara, Kerala	0.36	0.36	0.36	Implementing agency- Rajagiri Outreach
39	Improved Farming Practices for farmers	Rural Development projects	Waghodiya Taluka, Baroda, Gujarat	0.58	0.58	0.58	Implementing agency- Indo Global Social Service Society
40	Monitoring & Evaluation framework designing	Rural Development projects	Cochin(Kerala), Baroda(Gujarat), Chennai(Tamil Nadu)	0.70	0.69	0.69	Implementing agency- Thought Arbitrage Consulting
41	Improved Farming Practices for farmers	Rural Development projects	Pune, Maharashtra	3.14	2.58	2.58	Implementing agency- Maharashtra Institute of Technology Transfer for Rural Areas
42	Furniture Support to school in Perambra	Promoting Education	Kodakara, District- Thrissur, Kerala	0.03	0.03	0.03	Implementing agency- Headmistress GHSS, Kodakara

43	Furniture Support to school in Perambra	Promoting Education	Kodakara, District- Thrissur, Kerala	0.05	0.05	0.05	Implementing agency- Principal GHSS, Kodakara
44	Furniture Support to school in Perambra	Promoting Education	Kodakara, District- Thrissur, Kerala	0.06	0.06	0.06	Implementing agency- Head Master, G.L.P.S, Kodakara
45	Furniture Support to school in Perambra	Promoting Education	Pallilamkara, Kerala	0.03	0.03	0.03	Implementing agency- Headmistress G.L.P.School, Pallilamkara
46	School boundary wall construction	Promoting Education	Orgadam village, Sriperumbudur Taluka, Chennai	0.34	0.34	0.34	Implementing agency- Hand In Hand India
47	Education support to 50 under privileged girls	Promoting Education	Dehradun, Uttrakhand	3.00	3.00	3.00	Implementing agency- Him Jyoti Foundation
48	Education support for the mentally handicapped & blinds children	Promoting Education	Delhi	0.14	0.14	0.14	Implementing agency- National Association for the Blinds
49	Education support to under privileged children	Promoting Education	Delhi	0.10	0.10	0.10	Implementing agency- Christel House India
50	Education support to under privileged girl	Promoting Education	Mumbai, Maharashtra	0.01	0.01	0.01	Implementing agency- Masoom
51	Capacity Building of Staffs & Volunteers	Promoting Education	Chennai & Gurgaon	1.23	1.23	1.23	Implementing agency- Step Consulting Pvt. Ltd. & Dale Carnegie Training India
52	Monthly Ration support for the under privileged people	Eradication hunger, poverty & malnutrition	Mahipalpur, New Delhi	0.07	0.07	0.07	Implementing agency- The Earth Saviours
53	Contribution to Corpus of a Trust created exclusively for undertaking CSR activities					0.10	
Total						54.12	
Administrative Cost 5% of total expense						2.70	
Grand Total						56.82	

6. The Company has not been able to spent two per cent of the average net profit of the last three financial years due to the following reasons:
 - Unavailability of an expert NGO to implement projects as per our programme guidelines caused delay. The programme will be implemented this year.
 - Non-adherence to the SOP's and lack of integrity caused sacking of 3 NGO which affected the programme implementation and budget utilisation.
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- (NEERAJ KANWAR) Vice - Chairman & Managing Director	Sd/- (ONKAR S KANWAR) Chairman of CSR Committee
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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

Energy conservation reduces the energy consumption and is an important part of our Energy Policy. Energy Cost remains to be the highest cost factor in the manufacturing process and hence gets prime importance in the daily work management activities across locations. Sustenance and continual improvement in energy efficiency has helped us to be best across the industry and also create benchmark performance in operations across India.

We have, as a Strategy, identified Synergy Projects for Energy consumption reduction across Locations in India and Abroad which when built upon in a couple of years, post implementation, will bring all plants to a strong common base. Energy Efficiency and Sustainability has become extremely important for us, as this is being stimulated through conditions like rising energy cost, laws and regulations for climate protection and environmental awareness of customers.

(ii) Steps taken by the Company for utilising alternate sources of energy

- Energy is put to use effectively in operations for process equipments and also for the various utilities. This is taken up by ensuring usage of latest technology in its class and ensuring that we maintain the specific energy consumption even during low requirement of finished product, by well defined systems & processes. Some of the Energy Conservation measures taken being:
- Real Time Cost optimization by usage of the best possible source of energy in a location
 - Real Time measurement of energy parameters at the generation end led to finding out new avenues for improvement and controlling of usage of energy at user end.
 - Mapping of the utility requirement across plants resulted in relooking of required process parameters at user end.
 - Steam generation efficiency and demand gap fluctuations improved by provision of closed loop controls at generation and fine control of process parameters.
 - Variable frequency drives usage at Pumps and Compressors.
 - Hydro Based Pumping systems installed for a family of process parameters for fine and accurate control with less energy being consumed with the idea of converting fixed to variable energy.
 - LED technology employed for reducing the plant lighting power consumption
 - Hot water recovery at higher temperature, which has resulted in the reduction of radiation loss.
 - Small Improvement projects in sections taken up as a cultural change.
 - Specifications re-looked and cycle time optimization activities initiated in compound mixing.
 - Condensate Steam utilization for Vapor Absorption Chillers.
 - Introduction of Daily work management activities with respect to energy with monitoring, control and correction for compressed air and steam.

(iii) Additional investment and proposal for reduction of energy usage: (Investment in Energy Front to reduce cost and consumption

- To ensure future energy security from escalating cost and also to make the next quantum jump in bringing down the conversion cost across all plants, a macro economic model is being prepared for the next 5 year period to adventure into the different sources of renewable energy suitable to locations
- Foot print on Wind Energy is further strengthened to utilize the potential based on plant locations.
- Tapping the Solar Energy to cater to our energy needs across high potential areas is to be a reality soon.
- Energy Management Standard (EnMS), ISO 50001 being at certification stage at one of the plants will be taken across all locations in the coming year.
- Synergy Projects Investment identified, along with saving and realization on the energy front that will take the company to enhanced levels of energy efficiency, learning curve and a strong foundation.
- To ensure Centralized Approach for Sustenance and Migration to future with strong conviction - Energy Management Function in Manufacturing is established.
- Energy Mission 2020 road map is a Strategic Move planned to contribute back to society by conservation of energy and enhanced usage of renewable sources of energy.

B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption

New projects have been introduced to knit modern technology in the product development and manufacture. This

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015
Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & 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	6 th Floor, Cherupushpam Building, Shanmugham Road, Kochi 682031, Ph No. 0484 2372767
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 122001, Ph No. 0124 2721000

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL No	Name & Description of main products/services	NIC Code of the products/ services	% to total turnover of the Company
1	Tyres, Tubes and Flaps	25111	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Apollo (Mauritius) Holdings Pvt Ltd. - Abax Corporate Services Ltd. 6th Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius	Foreign Company	Subsidiary	100	2(87)
2	Apollo (South Africa) Holdings (Pty) Ltd - 265 Sydney Road, Durban, 4001	Foreign Company	Subsidiary	100	2(87)
3	Apollo Tyres (Cyprus) Pvt. Ltd. - Zinonos Sozou, 12, P.C. 1075, nicosia, Cyprus	Foreign Company	Subsidiary	100	2(87)
4	Apollo Tyres (Greenfield) Co-operatief U.A. - Ir. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
5	Apollo Tyres (Hungary) Kft. - HU-1053, Budapest, Karolyiutca 12.3 em.	Foreign Company	Subsidiary	100	2(87)
6	Apollo Tyres Co-operatief U.A- Ir. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
7	Apollo Tyres AG- Mellingerstrassen 2a, 5400 Baden, Switzerland	Foreign Company	Subsidiary	100	2(87)

includes rationalisation and standardization of Raw materials, compounds, specifications, simulation techniques etc across all locations. For the first time in India, we designed 55" Super Single radial truck tyre in Steer & Trailer pattern. Tyres were also designed for TBR (Steer & drive pattern) for usage on severe snow condition, qualifying the EU regulatory requirement like REACH , Conflict Minerals etc. Agro Industrial radial tyres were also custom designed for Hard & Soft soil application. LTR & Cross ply Tyres were also designed for Thailand market. New generation Carbon Black for TBR was developed and customised for Domestic & export applications. Several new innovative compounds like High mileage & shred resistant tread for TBR; High Mileage & Separation Resistant tread compound, Super Heat Resistant tread compound for OTR Tyre ; Cushion gum compound with higher storage stability for Retreading operation etc were developed and industrialised. Impact resistance of tyres in harsh Indian environment were improved by using new generation Steel cords. Research also focussed on three fundamental projects like Wear, Rolling Resistance & Grip to have a better understanding in all respects like material, product, vehicle and its application. All these projects were supported by Simulation Driven Product Design across entire product portfolio which enabled us to get advantage of technical superiority over competition. Currently, the tools developed are being used for vulcanization time optimization and productivity improvement. Research projects is undertaken to improve recycling of used tyres and reuse back into tyres .

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution.

Development of novel materials & technologies helped in enhancing product quality. Various productivity improvement activities were implemented like reducing mixing cycle time by using special grade of Natural rubber and dispersing agent, improvement in extrusion speed by 40 % of TBR shoulder cushion by performer modification, reduced cure cycle by introduction of addition steam cavity in the presses. Cost optimisation activities were carried out by reduction of Tread rework; bladder life improvement, poly-gauge reduction etc. Carcass durability of TBR tyre was improved by innovative curing done with Low hot water temperature and uniform cure. As a step towards green manufacturing; implemented direct application of gum strip by introduction of mini roller head line in tread by improving cooling water quality. In the crossply segment AXV (Apollo Xtra Value) series of new designs tyres with cost effective, improved durability carcass structures have been developed for markets like Thailand & Middle East. These are new design tyres with special features assigned for 'Drive', 'Steer', 'Trailer' axles of different vehicle configuration plying on highways. In the Small Commercial Vehicle (SCV) segment tyres, your company now has the widest range of tyres in the market. With the launching of new range of high mileage & improved durability range of LCV tyres; your company has best range of premium mileage LCV product basket in the country. Industrial & Earthmover tyres have also made a mark with the range of Backhoe loader tyres. With the establishment of shearography as a sophisticated forensic analysis tool, knowledge library for product life cycle investigation as well as for carcass screening prior to retreading are created.

(iii) Details of imported technology (imported during last 3 years reckoned from the beginning of the financial year)

No technology was imported during the previous three financial years. We are focusing on the development of our own technology through inhouse R&D efforts and present technology is based on our own R&D efforts.

(iv) Expenditure incurred on Research and Development

	(₹ Million)
a) Capital	167.51
b) Deferred Revenue Expenditure	-
c) Revenue	875.25
d) Total	1042.76
e) Total R&D expenditure as a % turnover	1.17%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ Million)
i) Foreign Exchange Earnings	
-On account of direct - export sales from Apollo Tyres Ltd (FOB value)	9,222.31
-On account of royalty from Foreign Subsidiary Companies	73.83
-On account of Cross Charge of Management Expenses from Foreign Subsidiary Companies	54.74
-On account of Reimbursement of Expenses from Foreign Subsidiary Companies	209.27
ii) Foreign Exchange outgo (other than CIF value of imports)	1,906.22

For and on behalf of the Board of Directors

Sd/-

Date : May 12, 2015

Place : Gurgaon

Onkar S Kanwar

(Chairman & Managing Director)

8	Apollo Tyres Global R & D B.V.- Colosseum 2, 7521 PT Enschede	Foreign Company	Subsidiary	100	2(87)
9	Apollo Tyres (Middle East) FZE - Building No-3, Galleries- Office No- GB030603, Jebel Ali- Dubai, UAE	Foreign Company	Subsidiary	100	2(87)
10	Apollo Tyres Holdings (Singapore) Pte. Ltd- 9 Temasek Boulevard, #42-01, Suntec Tower Two, Singapore 038989	Foreign Company	Subsidiary	100	2(87)
11	Apollo Tyres (Thailand) Limited- 23FL, KPN Tower, 719, Rama-9 Road, Bang Kapi, Huay Kwang, Bangkok-10310	Foreign Company	Subsidiary	100	2(87)
12	Apollo Tyres (Brasil) Ltda.- Av. Presidente Juscelino Kubitschek, 1455, 6º andar, sala 12, CEP: 04543-011, São Paulo / SP	Foreign Company	Subsidiary	100	2(87)
13	Apollo Tyres B V- Ir. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
14	Apollo Tyres (UK) Pvt. Ltd- 3rd Floor, Maddox House I, Maddox Street & 215-221, Regent Street London WIS 2PZ	Foreign Company	Subsidiary	100	2(87)
15	Apollo Tyres Propvest (UK) Pvt. Ltd- Third Floor, Maddox House 1 Maddox street & 215-221 Regent Street London WIS 2PZ	Foreign Company	Subsidiary	100	2(87)
16	Apollo Vredestein B.V.- Ir. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
17	Apollo Vredestein Kft.- Alkotás út 39/c 1123 Budapest	Foreign Company	Subsidiary	100	2(87)
18	Apollo Vredestein Belux- Buro&Design Center, Heizel Esplanade bus 6 1020 Brussel	Foreign Company	Subsidiary	100	2(87)
19	Vredestein Consulting BV- Ir. E.L.C. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
20	Finlo B.V.- Ir. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
21	Vredestein Marketing B.V- Ir. E.L.C. Schiffstraat 370, 7547 RD Enschede	Foreign Company	Subsidiary	100	2(87)
22	Vredestein Marketing B.V & Co. KG- Schulzendorferstrasse 12, 12529 Schonefeld	Foreign Company	Subsidiary	100	2(87)
23	Apollo Vredestein GesmbH- Seybelgasse 10-12, 1230 Wien	Foreign Company	Subsidiary	100	2(87)
24	Apollo Vredestein Schweiz AG- Mellingerstrasse 2A, Postfach 2112, 5402 Baden	Foreign Company	Subsidiary	100	2(87)
25	Apollo Vredestein S.R.L.- Via Edelweiss Rodriquez Senior n.3 int.13 47900 Rimini (RN)	Foreign Company	Subsidiary	100	2(87)

26	Apollo Vredestein Ibérica S.A.- Cityparc Edificio Bruselas, Ctra. De Hospitalet 147-149, 08940 Cornellà de Llobregat Barcelona	Foreign Company	Subsidiary	100	2(87)
27	Apollo Vredestein UK Ltd.- 1 Beechwood, Cherry Hall Road, Kettering Business Park, Northants NN14 1UE	Foreign Company	Subsidiary	100	2(87)
28	Vredestein Nordic AB- Flöjelbergsgatan 18, 431 37 MÖLNDAL ,SWEDEN	Foreign Company	Subsidiary	100	2(87)
29	Vredestein Norge A/S- Flöjelbergsgatan 18, 431 37 MÖLNDAL, SWEDEN	Foreign Company	Subsidiary	100	2(87)
30	Apollo Vredestein SAS- 59, Avenue Victor Hugo, 75116, Paris	Foreign Company	Subsidiary	100	2(87)
31	Apollo Vredestein GmbH- Rheinstrasse 103, Vallenda	Foreign Company	Subsidiary	100	2(87)
32	Apollo Vredestein Opony Polska sp. Z o.o.- Ul Prosta 32, 00-838 Warszawa	Foreign Company	Subsidiary	100	2(87)
33	Apollo Vredestein Tires Inc- 13, Bridge Street, Metuchen NJ 08840	Foreign Company	Subsidiary	100	2(87)
34	S.C. Vredestein RO S.R.L.- 400071 Cluj-Napoca str.Zrinyi Miklos nr. 7/3-4, Cluj	Foreign Company	Subsidiary	100	2(87)
35	Apollo Tyres Africa (Pty) Ltd - 265 Sydney Road, Durban, 4001	Foreign Company	Subsidiary	100	2(87)
36	Pressurite (Pty) Ltd. (RSA)- Unit 1 , Aviation Crescent, Airport City, 7490	Foreign Company	Associate	28	2(6)
37	PAN Aridus LLC- PO Box 5134 Carefree, Arizona USA, 85377	Foreign Company	Joint Venture	50	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

(i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF	5330791	0	5330791	1.06	5330791	0	5330791	1.05	(0.01)
b) Central Govt.or State Govt.	0	0	0	-	0	0	0	-	-
c) Bodies Corporates*	211942501	7450	211949951	42.05	216942501	7450	216949951	42.62	0.57
d) Bank/FI	0	0	0	-	0	0	0	-	-
e) Any other	0	0	0	-	0	0	0	-	-
									-
SUB TOTAL (A) (1):-	217273292	7450	217280742	43.11	222273292	7450	222280742	43.67	0.56
									-
(2) Foreign									-
a) NRI- Individuals	1977000	0	1977000	0.39	1977000	0	1977000	0.39	(0.00)
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):-	1977000	0	1977000	0.39	1977000	0	1977000	0.39	(0.00)

Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	219250292	7450	219257742	43.50	224250292	7450	224257742	44.06	0.56
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	19134363	1256200	20390563	4.05	38102943	1235200	39338143	7.73	3.68
b) Banks/FI**	17450	150468	167918	0.03	169612	125250	294862	0.06	0.03
c) Central govt	0	0	0	-	0	0	0	-	-
d) State Govt.	10000000	0	10000000	1.98	10000000	0	10000000	1.96	(0.02)
e) Venture Capital Fund	0	0	0	-	0	0	0	-	-
f) Insurance Companies	1600000	45000	1645000	0.33	2000000	45000	2045000	0.40	0.07
g) FIIS	173367403	501880	173869283	34.50	155756558	501880	156258438	30.70	(3.80)
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
i) Others (specify)- Other Insurance Companies	7419144	0	7419144	1.47	3942989	0	3942989	0.77	(0.70)
SUB TOTAL (B) (1):-	211538360	1953548	213491908	42.36	209972102	1907330	211879432	41.62	(0.74)
(2) Non Institutions									
a) Bodies corporates									
i) Indian**	16613988	238720	16852708	3.34	10174367	238220	10412587	2.05	(1.29)
ii) Overseas	0	0	0	-	0	0	0	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs**	18229511	9104310	27333821	5.42	24197030	8621682	32818712	6.45	1.03
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	1710050	0	1710050	0.34	1390050	0	1390050	0.27	(0.07)
c) Others (specify)									
NRI s	1612360	633900	2246260	0.45	2010806	590240	2601046	0.51	0.06
Clearing Members	2685751	0	2685751	0.53	2765433	0	2765433	0.54	0.01
Foregin National	1000	0	1000	0.00	680	0	680	0.00	(0.00)
Foreign Bank	0	0	0	-	0	0	0	-	-
Unclaimed Suspense A/c	1459730	0	1459730	0.29	1433480	0	1433480	0.28	(0.01)
Trust Holders	18985800	0	18985800	3.77	21465608	0	21465608	4.22	0.45
				-				-	-
SUB TOTAL (B) (2):-	61298190	9976930	71275120	14.14	63437454	9450142	72887596	14.32	0.18
Total Public Shareholding (B)= (B)(1)+(B)(2)	272836550	11930478	284767028	56.50	273409556	11357472	284767028	55.94	(0.56)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
									-
Grand Total (A+B+C)	492086842	11937928	504024770	100.00	497659848	11364922	509024770	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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 Ltd.	42508142	8.43	0.62	42508142	8.35	0.87	(0.08)
2	Constructive Finance Pvt. Ltd.	29630857	5.88	0	29630857	5.82	0.38	(0.06)
3	Apollo Finance Ltd.	36759650	7.29	0.68	36759650	7.22	0.51	(0.07)
4	Sunrays Properties & Investment Co. Pvt. Ltd.	35725648	7.09	2.79	35725648	7.02	2.40	(0.07)
5	Apollo International Ltd.	17527080	3.48	0	17527080	3.44	0	(0.04)
6	Motlay Finance Pvt. Ltd.	12618036	2.50	0	12618036	2.48	1.09	(0.02)
7	Sacred Heart Investment Co. Pvt. Ltd.	9453180	1.88	0	9453180	1.86	0	(0.02)
8	Classic Autotubes Ltd.	9493500	1.88	0	14493500	2.85	0	0.97
9	Ganga Kaveri Credit & Holding Pvt. Ltd.	7688380	1.53	0	7688380	1.51	0	(0.02)
10	Indus Valley Investment & Finance Pvt. Ltd.	5076040	1.01	0	5076040	1.00	0	(0.01)

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
11	Mr Onkar S. Kanwar	4906781	0.97	0	4906781	0.96	0	(0.01)
12	Global Capital Ltd.	3627158	0.72	0	3627158	0.71	0	(0.01)
13	Ms Shalini Chand	1977000	0.39		1977000	0.39	0	(0.00)
14	Kenstar Investment & Finance Pvt Ltd.	1842280	0.37	0	1842280	0.36	0	(0.01)
15	Mr Neeraj Kanwar	212380	0.04	0	212380	0.04	0	(0.00)
16	Mr Raaja Kanwar	180880	0.04	0	180880	0.04	0	(0.00)
17	Ms Simran Kanwar	18500	0.00	0	18500	0.00	0	(0.00)
18	Ms Taru Kanwar	12250	0.00	0	12250	0.00	0	(0.00)
	Total	219257742	43.50	4.09	224257742	44.06	5.25	0.56

(iii) CHANGE IN PROMOTERS' SHAREHOLDING*

SI. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the Beginning of the Year (April 1, 2014)	219257742	43.07%	219257742	43.07%
	50,00,000 warrants held by Classic Auto Tubes Ltd. were converted into equity shares on April 19, 2014.	500000	0.98%	224257742	44.05%
	At the end of the year (March 31, 2015)	224257742	44.05%	224257742	44.05%

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRs & ADRs)*

SI. No	Name of the Shareholder	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Custodian A/c - Ashwin Shantilal Mehta				
	At the Beginning of the Year (April 1, 2014)	-	-	-	-
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	13507300	2.65%	13507300	2.65%
	At the end of the year (March 31, 2015)	13507300	2.65%	13507300	2.65%
2	Skagen Kon-Tiki Verdipapirfond				
	At the Beginning of the Year (April 1, 2014)	27020843	5.31%	27020843	5.31%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	(14663283)	(2.88%)	12357560	2.43%
	At the end of the year (March 31, 2015)	12357560	2.43%	12357560	2.43%
3	Franklin Templeton Investment Funds				
	At the Beginning of the Year (April 1, 2014)	-	-	-	-

	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	9361022	1.84%	9361022	1.84%
	At the end of the year (March 31, 2015)	9361022	1.84%	9361022	1.84%
4	Government Pension Fund Global				
	At the Beginning of the Year (April 1, 2014)	6737748	1.32%	6737748	1.32%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	(1684984)	(0.33%)	5052764	0.99%
	At the end of the year (March 31, 2015)	5052764	0.99%	5052764	0.99%
5	Dimensional Emerging Markets Value Fund				
	At the Beginning of the Year (April 1, 2014)	3385454	0.67%	3385454	0.67%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	1637121	0.32%	5022575	0.99%
	At the end of the year (March 31, 2015)	5022575	0.99%	5022575	0.99%
6	Investec Global Strategy Fund A/c Asian Equity Fund				
	At the Beginning of the Year (April 1, 2014)	5347865	1.05%	5347865	1.05%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	(289054)	(0.06%)	5058811	0.99%
	At the end of the year (March 31, 2015)	5058811	0.99%	5058811	0.99%
7	Kerala State Industrial Development Corporation				
	At the Beginning of the Year (April 1, 2014)	5000000	0.98%	5000000	0.98%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	5000000	0.98%
	At the end of the year (March 31, 2015)	5000000	0.98%	5000000	0.98%
8	Governor of Kerala				
	At the Beginning of the Year (April 1, 2014)	5000000	0.98%	5000000	0.98%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	5000000	0.98%
	At the end of the year (March 31, 2015)	5000000	0.98%	5000000	0.98%
9	Credit Suisse (Singapore) Limited				
	At the Beginning of the Year (April 1, 2014)	4749746	0.93%	4749746	0.93%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	6947382	1.36%	11697128	2.30%
	At the end of the year (March 31, 2015)	11697128	2.30%	11697128	2.30%
10	UTI-Opportunities Fund				
	At the Beginning of the Year (April 1, 2014)	2308452	0.45%	2308452	0.45%

	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	2087264	0.41%	4395716	0.86%
	At the end of the year (March 31, 2015)	4395716	0.86%	4395716	0.86%

(v) SHAREHOLDING OF DIRECTORS & KMPs*

Sl. No	Name of the Director/ KMP	Shareholding at the beginning/end of the year		Cumulative Shareholding 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 1, 2014)	4906781	0.96%	4906781	0.96%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	-	-
	At the end of the year (March 31, 2015)	4906781	0.96%	4906781	0.96%
2	Mr. Neeraj Kanwar - Vice Chairman & Managing Director				
	At the Beginning of the Year (April 1, 2014)	212380	0.04%	212380	0.04%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	-	-
	At the end of the year (March 31, 2015)	212380	0.04%	212380	0.04%
3	Mr K Jacob Thomas - Director				
	At the Beginning of the Year (April 1, 2014)	442050	0.09%	442050	0.09%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	-	-
	At the end of the year (March 31, 2015)	442050	0.09%	442050	0.09%
4	Mr. Vikram S Mehta - Director				
	At the Beginning of the Year (April 1, 2014)	6000	0.00%	6000	0.00%
	Transaction (Purchase/ sale) from April 1, 2014 upto March 31, 2015	-	-	-	-
	At the end of the year (March 31, 2015)	6000	0.00%	6000	0.00%

**The shareholding percentage at the beginning/end of the year has been calculated on the share capital as on March 31, 2015.*

The following Directors/Key Managerial Personnel(KMP) did not hold any shares during fiscal 2015:

(i) Mr Akshay Chudasama, Director (ii) Mr A K Purwar, Director (iii) Mr Nimesh N Kampani, Director (iv) Mr P H Kurian, Director (v) Mr Robert Steinmetz, Director (vi) Mr.Sunam Sarkar, Director (vii) Dr S Narayan, Director (viii) Ms Pallavi Shroff, Director (ix) Mr Raj Banerji, CFO-KMP (x) Mr P N Wahal, 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
Indebtness at the beginning of the financial year				
i) Principal Amount	10,684.74	4,505.14	-	15,189.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	138.52	90.96	-	229.48
Total (i+ii+iii)	10,823.26	4,596.10	-	15,419.36
Change in Indebtedness during the financial year				
Additions		2,757.90	-	2,757.90
Reduction	3,925.30	3,000.00	-	6,925.30
Net Change	(3,925.30)	(242.10)	-	(4,167.40)
Indebtedness at the end of the financial year				
i) Principal Amount	6,759.44	4,263.04	-	11,022.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	144.94	-	-	144.94
Total (i+ii+iii)	6,904.38	4,263.04	-	11,167.42

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 Amount
1	Gross salary	Onkar S Kanwar	Neeraj Kanwar	Sunam Sarkar	U S Oberoi	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	113.78	73.40	29.98	3.94	221.10
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.10	0.79	0.29	0.27	1.45
	(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	295.00	195.00	10.13	2.92	503.05
	others (specify)	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	408.88	269.19	40.40	7.13	725.60
	Ceiling as per the Act	₹ 998.43 Millions (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	A.K. Purwar	Askhay Chudasama	K. JACOB Thomas	Nimesh N Kampani	Pallavi Shroff	Robert Steinmetz	S Narayan	Shardul S Shroff	Vikram S.Mehta	
	(a) Fee for attending board committee meetings	0.60	1.10	1.10	0.50	0.50	0.50	1.30	0.00	0.40	6.00
	(b) Commission	5.56	5.56	5.56	5.56	4.89	5.56	5.56	0.67	5.56	44.48
	(c) Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	6.16	6.66	6.66	6.06	5.39	6.06	6.86	0.67	6.23	50.48
2	Other Non Executive Directors	PH Kurian*									
	(a) Fee for attending	0.30									0.30
	(b) Commission	5.55									5.55
	(c) Others, please specify.	-									-
	Total (2)	5.85									5.85
	Total (B)=(1+2)										56.33
	Total Managerial Remuneration										781.93
Overall Cieling as per the Act.	₹ 1098.27 Millions (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act 2013)										

* Paid to Govt of Kerala

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	Company Secretary (P.N. WAHAL)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	13.36
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.49
	(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	13.85

Mr Raj Banerji was appointed as CFO in place of Mr Sunam Sarkar w.e.f. February 6, 2015. Mr Raj Banerji has received remuneration from wholly owned overseas subsidiary of the Company. Mr Banerji has resigned w.e.f. April 30, 2015.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences under Companies Act for the year ending March 31, 2015.

For and on behalf of the Board of Directors

Sd/-

Onkar S Kanwar

(Chairman & Managing Director)

Date : May 12, 2015

Place : Gurgaon



CORPORATE GOVERNANCE REPORT

ANNEXURE - V

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 Clause 49 of the listing agreement, 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 majority of the provisions of Companies Act, 2013 became effective from April 1, 2014. 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. Your Company has initiated the process of transformation from Companies Act, 1956 to Companies Act, 2013 in a phased manner since its notification. The current annual report of your Company contains all the additional information and disclosures which are required to be given under Companies Act, 2013.

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 clause 49 of the listing agreement:

1. Corporate Governance Philosophy

At Apollo Tyres Ltd (the Company), 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 shareholders. 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 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 (Supervisory Board)

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 (i.e. Supervisory Board) 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 human resource development, strategy, management, 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 as on March 31, 2015 exceeds the requirements of clause 49 of the listing agreement entered with the stock exchanges. The Company's Board of Directors consist of 11 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:

Category of Directors	No. of Directors	% of Total no. of Directors
Executive	3	27
Non Executive including Independent Directors	8	73
Total	11	100

The constitution of the Board and attendance record of Directors is given below:

Name/Designation of Director	Executive/ Non-Executive/ Independent	No. of positions held in Other Companies		No. of Board Meetings Attended ⁽³⁾	Attendance at last AGM
		Board ⁽¹⁾	Committee ⁽²⁾		
Mr Onkar S Kanwar Chairman & Managing Director	Promoter – Executive	5	2	4	No
Mr Neeraj Kanwar Vice Chairman & Managing Director	Executive	2	2	5	Yes
Mr Akshay Chudasama	Non-Executive Independent	1	1	5	Yes
Mr A K Purwar	Non-Executive Independent	7	4	5	Yes
Mr Nimesh N Kampani	Non-Executive Independent	7	5	4	Yes
Mr P H Kurian ⁽⁴⁾ Nominee Director – Govt of Kerala (Equity Investor)	Non-Executive	11	-	3	No
Mr Robert Steinmetz	Non-Executive Independent	-	-	4	Yes
Mr Sunam Sarkar Whole time Director	Executive	-	-	5	Yes
Dr S Narayan	Non-Executive Independent	4	-	4	Yes
Mr Vikram S Mehta	Non-Executive Independent	8	1	4	Yes
Ms Pallavi Shroff	Non-Executive Independent	5	1	3	No

Ceased to be Director

Mr U S Oberoi ⁽⁵⁾ Chief (Corporate Affairs) & Whole time Director	Executive	2	-	4	Yes
Mr K Jacob Thomas ⁽⁶⁾	Non-Executive Independent	3	1	4	Yes

⁽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 FY 15, five Board Meetings were held.

⁽⁴⁾Pursuant to Section 149(6) of the Companies Act, 2013, Mr P H Kurian shall not be treated as an Independent Director w.e.f. April 1, 2014.

⁽⁵⁾Mr U S Oberoi, Chief (Corporate Affairs) & Whole time Director ceased to be Director of the Company with effect from November 26, 2014 on retirement.

⁽⁶⁾Mr K Jacob Thomas ceased to be Director with effect from May 8, 2015 on resignation.

None of the Directors of your Company is a member of more than 10 committees or is the Chairman of more than five committees across all the companies in which he is a Director.

Ms Pallavi Shroff, Partner of M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co., carrying out practice of solicitors and advocates on record, to whom the Company has paid fee of ₹ 9.50 million for FY15 for professional advice rendered by the firm in which she is interested. The Board has determined that such payment in the context of overall expenditure by the Company, is not significant and does not affect her independence.

Mr Akshay Chudasama is the Partner of M/s. J. Sagar Associates, carrying out practice of solicitors and advocates on record, to whom the Company has paid fee of ₹ 6.70 million for the FY15 for professional advice rendered by the firm in which he is interested. The Board has determined that such payment in the context of overall expenditure by the Company, is not significant and does not affect his independence.

As required under Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors was held on October 29, 2014. The Independent Directors at the meeting 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.

(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 Annexure 1A of clause 49 of listing agreement, 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 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 their CEO's who make detailed presentations about working of their respective companies.

The Board has an effective post meeting follow up procedure. Items arising out of previous Board Meeting and their follow up action report is placed at the immediately succeeding meeting for information of the Board.

(d) 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.

(e) 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, spanning 3 continents. 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. He was also a member of the Indian Institute of Information Technology Design & Manufacturing (IIITDM). Currently, apart from being a member of the Trade Advisory Committee to the Government of India, he is also a Member of the Board of Governors for the Indian Institute of Management (Kozhikode).

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.

- (f) **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 USD 450 million to USD 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 currently a Greenfield facility in Hungary is being set-up, thereby transforming itself into a multi-geography 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 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 to Managing Director in 2009 for his initiatives in establishing the company in the global arena.

As a business leader, Mr Neeraj Kanwar is associated with leading industry associations and was recently the Chairman of the Automotive Tyre Manufacturer's Association, India.

Mr Neeraj Kanwar is a people-centric leader and believes in empowering employees to enable them to undertake effective and efficient decisions at all times. Within Apollo, 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 sports person. He prefers to spend his leisure time with his family or playing tennis, swimming and travelling.

- (g) **No. & Dates of Board Meetings held:** During the FY15, 5 (Five) Board meetings were held on May, 15, 2014, July 2, 2014, August 6, 2014, November 10, 2014, and February 6, 2015. The gap between any two meetings never exceeded 120 days as per the requirements of clause 49 of Listing Agreement.

- (h) **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.

3. **Management Board:** To ensure expedient and effective focus on important issues, the Company has constituted a Management Board with a primary aim to maintaining strong business fundamentals and delivering high performance through relentless focus on the affairs of the Company across all its geographies

The said Management Board consists of 12 members comprising of the Company's senior management team. The objective of the Management Board is to (i) policy making process for key functions undertaken at corporate level; (ii) sharing & promoting implementation of process improvements and best practices and (iii) analysing certain key operational matters /strategic projects, to enhance stakeholders' value.

The Management Board generally meets once in every quarter to perform its functions.

4. **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 covers the areas as contemplated under clause 49 of the listing agreement and Section 177 of the Companies Act, 2013. The present Audit Committee comprises of following three Non-Executive Independent Directors viz. Dr S Narayan, Mr Akshay Chudasama and Mr Robert Steinmetz. Mr U S Oberoi, who was the member of the committee retired as a Director of the Company w.e.f. November 26, 2014 and Mr K Jacob Thomas resigned on May 8, 2015 . Consequently, the Audit Committee was reconstituted by inducting Mr Robert Steinmetz as a member of the Committee. Dr S Narayan, 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 Clause 49 of the listing agreement 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 qualifications 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, rights 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;
- Review and monitor 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 there on;
- 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, share holders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

(b) Meetings of Audit Committee and attendance of members during the year

During the FY 15, 4 (four) Audit Committee meetings were held on May 14, 2014, August 5, 2014, October 31, 2014 and February 6, 2015.

Name of Director	Designation	Category of Director	No. of meetings attended
Dr S Narayan	Chairman	Non- Executive Independent	4
Mr Akshay Chudasama	Member	Non- Executive Independent	4
Mr Robert Steinmetz (appointed as Member w.e.f. February 6, 2015)	Member	Non- Executive Independent	N.A.

Ceased to be Member

Mr U S Oberoi (w.e.f. November 26, 2014)	Member	Executive	3
Mr K Jacob Thomas (w.e.f. May 8, 2015)	Member	Non- Executive Independent	4

In addition to the members of the Audit Committee, these meetings were attended by Vice Chairman & Managing Director, Chief Financial Officer, President (APMEA), Group Head (Corporate Accounts) and other functional heads, 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, Dr S Narayan, was present at the Annual General Meeting of the Company held on August 6, 2014.

(c) Role of Internal Auditor

Apollo Tyres has a robust Internal Control framework, which has been instituted considering the nature, size and risk in the business. The framework comprises, inter alia, of a well-defined organisation structure, roles and responsibilities, documented policies and procedures etc. Information Technology policies and processes

were also updated to ensure that they satisfy the current business needs. This is complemented by a management information and monitoring system, which ensures compliance to internal processes, as well as with applicable laws and regulations. The operating management is not only responsible for revenue and profitability, but also for maintaining financial discipline and hygiene.

In order to ensure efficient Internal Control systems, the Company also 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 Internal Audit has a well laid down internal audit methodology, with emphasis on risk based internal audits using data analytics and tools.

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 Audit reports on quarterly basis 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.

(d) Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company.

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 them. The performance of all its subsidiaries is also reviewed by the Board periodically.

5. 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 Board at its meeting held on March 28, 2014, had approved the change in nomenclature of the committee to Nomination & Remuneration Committee, in accordance with Section 178 of the Companies Act, 2013. The present Nomination and Remuneration Committee comprises of four members which includes three Non-Executive Independent Directors viz. Dr S Narayan, Mr Nimesh N Kampani, Mr Akshay Chudasama and the Chairman & Managing Director, Mr Onkar S Kanwar. Mr K Jacob Thomas, who was the member of the committee ceased to be the member of the committee as he has resigned from the Directorship of the Company w.e.f. May 8, 2015. Dr S Narayan is the Chairman of the Committee.

Pursuant to Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration committee was reconstituted, by inducting Mr Onkar S Kanwar, Chairman & Managing Director, as a member, of the Committee, on November 10, 2014.

The Nomination and Remuneration Committee has devised a policy on Board diversity in terms with the requirement under clause 49 of the Listing Agreement.

The Company Secretary acts as 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, noted the following terms of reference pursuant to Section 178 of the Companies Act, 2013-

- Formulate 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 Independent Directors and the Board.
- Devising a policy on Board diversity.
- 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.
- The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent Directors.

(c) Policy for appointment and remuneration

In terms of Section 178 of the Companies Act, 2013 and clause 49 of Listing Agreement, entered into by the Company with Stock Exchanges, 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 relevant extract of the aforesaid policy are given as below:

1. CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT

The Committee shall consider the following factors for identifying the person 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 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 Wholetime 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 indicating the justification for appointing such person.
- 1.5 The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 1.6 The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under listing agreement 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 Clause 49 (II) (B) of the listing agreement.

The term "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of managemnet one level below the executive directors, including the functional heads.

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 Clause 49(II)(B) of the listing agreement.

3. REMUNERATION OF DIRECTORS, KMP, SENIOR MANAGEMENT PERSONNEL 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 remuneration to be paid to the Senior Management Personnel and 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 KMPs (other than Managing Director/Whole-time Directors), Senior Management Personnel and 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 / Managing Director

3.2.1 Fixed pay:

The Whole-time Director / Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

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 / Managing Director in accordance with the provisions of the Companies Act, 2013.

3.2.3 Provisions for excess remuneration:

If any Whole-time Director / Managing 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 prior sanction of the Central Government, where required, he / she shall refund such sums to 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 permitted by the Central Government.

3.3 Remuneration to Non- Executive / 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 INR One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.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 Regulations.

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.

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 FY15, 2 (two) Nomination and Remuneration Committee meetings were held on May 15, 2014 and February 6, 2015.

Name of Director	Designation	Category of Director	No. of meetings attended
Dr S Narayan	Chairman	Non- Executive Independent	2
Mr Onkar S Kanwar (appointed as member w.e.f. November 10, 2014)	Member	Executive	1
Mr Akshay Chudasama	Member	Non- Executive Independent	2
Mr Nimesh N Kampani (appointed as member w.e.f. May 12, 2015)	Member	Non- Executive Independent	N.A.

Ceased to be Member

Mr K Jacob Thomas (w.e.f. May 8, 2015)	Member	Non- Executive Independent	2
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(e) Payment of remuneration/sitting fee to the Directors etc.

The details of remuneration paid to Directors during FY15 are given below.

(i) Executive Directors/CFO/Company Secretary:

(₹ Million)

Particulars	Mr Onkar S Kanwar, Managing Director	Mr Neeraj Kanwar, Managing Director	Mr Sunam Sarkar, Whole Time Director	Mr U S Oberoi (ceased to be Director w.e.f. November 26, 2014)	Mr P N Wahal, Company Secretary*	Mr Raj Banerji, CFO (w.e.f. February 6, 2015)
Salary	48.00	28.80	7.44	1.84	2.22	**
Contribution to PF/ Superannuation/ Gratuity	15.27	8.00	2.63	0.58	0.60	
Commission/ Performance Bonus	295.00	195.00	10.13	2.91	3.17	
Perquisites	58.83	41.20	21.62	1.67	8.23	
Total Remuneration	417.10	273.00	41.82	7.00	14.22	
Stock Option	N.A	N.A	N.A	N.A	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A	N.A	N.A	N.A	N.A

*Mr P N Wahal ceased to be the Company Secretary w.e.f. April 1, 2015.

**Mr Raj Banerji was appointed as CFO in place of Mr Sunam Sarkar w.e.f. February 6, 2015. Mr Raj Banaerji has received remuneration from wholly owned overseas subsidiary of the Company. Mr Banerji has resigned w.e.f. April 30, 2015. Mr Gaurav Kumar has been appointed as CFO w.e.f. May 12, 2015.

Notes:-

- 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 the FY15 was as follows: Mr Onkar S Kanwar – 1069, Mr Neeraj Kanwar – 700 and Mr Sunam Sarkar – 107.
- 3) The percentage increase in the remuneration during FY15 over the pervious financial was as follows: Mr Onkar S Kanwar-37%, Mr Neeraj Kanwar-92%, Mr Sunam Sarkar-9% and Mr P N Wahal-26%. The percentage increase in the median remuneration of employees was 8%. The increase in remuneration of Managing Director(s) is mainly on account of increase in commission linked to net profits.

The percentage increase in the remuneration by way of commission of non executive directors was and the ratio to median remuneration of employees are as under:

Name of Director	Remuneration for FY15 (` Million)	Remuneration for FY14 (` Million)	% increase in Remuneration	Ratio to median remuneration of employees
Mr A K Purwar	5.56	3.01	85	14.23
Mr Akshay Chudasama ⁽¹⁾	5.56	1.16	NA	NA
Mr P H Kurian ⁽²⁾	5.56	4.78	NA	NA
Mr K Jacob Thomas	5.56	3.01	85	14.23
Mr Nimesh N Kampani	5.56	3.01	85	14.23
Ms Pallavi Shroff ⁽³⁾	4.89	-	NA	NA
Mr Robert Steinmetz	5.56	3.01	85	14.23
Dr S Narayan	5.56	3.01	85	14.23
Mr Shardul S Shroff ⁽⁴⁾	0.67	3.01	NA	NA
Mr Vikram S Mehta	5.56	3.01	85	14.23
Mr M R B Punja ⁽⁵⁾	-	2.99	NA	NA

⁽¹⁾Appointed w.e.f. November 11, 2013

⁽²⁾Payment of Commission was paid to Government of Kerala for two nominee Directors during FY 14 and for one nominee Director during FY 15.

⁽³⁾Appointed w.e.f. May 15, 2014

⁽⁴⁾Ceased w.e.f. May 15, 2014

⁽⁵⁾Ceased w.e.f. March 28, 2014

- 4) The number of permanent employees on the rolls of Company were 11,135 as on March 31, 2015.
- 5) The explanation on the relationship between average increase in remuneration and Company's performance.
- The net profit growth during FY15 was 46% whereas the average remuneration of employees grew by 8% over the previous fiscal. This was based on the recommendation as per HR Policy.
- 6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :
- The net profit growth during FY15 was 46% (from ₹ 4426.19 Million in FY14 to ₹ 6450.81 Million in FY15) whereas the remuneration of the Key Managerial Personnel grew by 49% over the previous fiscal year (from ₹ 506.30 Million in FY14 to ₹ 753.14 Million in FY15).
- 7) a) Variations in the market capitalization of the Company : The market capitalization of the Company as on March 31, 2015 was ₹ 85643 million (₹ 80442 million as on March 31, 2014). Market capitalization increased by 6.47% on March 31, 2015 in comparison to March 31, 2014.
- b) Price earnings ratio : Price earnings ratio of the Company was 13.25 as on March 31, 2015 and was 18.18 as at March 31, 2014.
- c) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer : The Company had come out with initial public offer (IPO) in 1975. An amount of ₹ 1,000/- invested in the said IPO would be worth ₹ 1,68,250/- as on March 31, 2015 indicating a growth of 16,825 %. This is excluding the dividend accrued thereon from time to time.
- 8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-
- Average percentage increase made in the salaries of employees other than the managerial personnel FY15 was 8% whereas the managerial remuneration for the same financial year increased by 49%. The increase in managerial remuneration attributed due to increase in payment of commission linked to net profits of the Company which increased by 46% for the FY15.
- 9) Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company :
- The percentage increase in the remuneration during FY15 over the previous financial year was as follows: Mr Onkar S Kanwar-37%, Mr Neeraj Kanwar-92%, Mr Sunam Sarkar-9% and Mr P N Wahal-26%. The net profit growth during FY15 was 46%.
- 10) Key parameters for any variable component of remuneration availed by the Directors is Profit linked commission.
- 11) There is no employee in the Company who is getting remuneration exceeding to highest paid Director during FY15.
- 12) Remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

(ii) **Non-Executives Directors:** Sitting fee 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 the FY15 (₹ Million)	No. of Shares held as on March 31, 2015
Mr A K Purwar	0.60	5.56	-
Mr Akshay Chudasama	1.10	5.56	-
Mr P H Kurian ⁽¹⁾	0.30	5.56	-

Name of Director	Sitting fee (₹ Million)	Commission provided for the FY15 (₹ Million)	No. of Shares held as on March 31, 2015
Mr K Jacob Thomas ⁽²⁾	1.10	5.56	442050
Mr Nimesh N Kampani	0.50	5.56	-
Ms Pallavi Shroff ⁽³⁾	0.50	4.89	-
Mr Robert Steinmetz	0.50	5.56	-
Dr S Narayan	1.30	5.56	-
Mr Shardul S Shroff ⁽⁴⁾	0.00	0.67	-
Mr Vikram S Mehta	0.40	5.56	6000

⁽¹⁾Sitting fee/Commission payable to Government of Kerala

⁽²⁾Ceased w.e.f. May 8, 2015

⁽³⁾Appointed w.e.f. May 15, 2014

⁽⁴⁾Ceased w.e.f. May 15, 2014

An amount of ₹ 50 million be paid and disbursed amongst the Directors of the Company (other than Managing and Whole-time Directors) equally in proportion to their tenure of Directorship for the financial year ended 31st March, 2015.

No convertible intruments of the Company were outstanding as on March 31, 2015

6. Stakeholders Relationship Committee

Stakeholders Relationship Committee formerly known as Shareholders' /Investors' Transfer/Grievance Committee, looks after the share transfer work besides redressal of shareholder complaints.

The Board of Directors of the Company has with a view to expediting the process of share transfers delegated the power of share transfer upto 10,000 shares to Whole Time Director and/or Company Secretary who attend to share transfer formalities as and when required. The share transfer requests for shares beyond the aforesaid limits are processed by the Committee itself.

(a) Constitution and Composition of the Committee

The present Stakeholders Relationship Committee comprises of following five Directors viz. Dr S Narayan, Mr Onkar S Kanwar, Mr Neeraj Kanwar, Mr Sunam Sarkar and Ms Pallavi Shroff. Dr S Narayan, Independent Director acts as the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee as well as the Compliance Officer pursuant to clause 47(a) of the listing agreement with stock exchanges.

(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.

(c) Meetings of Stakeholders Relationship Committee and attendance of members during the year

During FY 15, 9 (nine) meetings of the Stakeholders Relationship Committee were held on May 5, 2014, June 2, 2014, June 19, 2014, July 4, 2014, August 11, 2014, September 17, 2014, October 14, 2014, November 21, 2014 and February 6, 2015.

Name of Director	Designation	Category of Director	No. of meetings attended
Dr S Narayan (w.e.f. November 10, 2014)	Chairman	Non-Executive Independent	1
Mr Onkar S Kanwar (w.e.f. November 10, 2014)	Member	Executive	1
Mr Neeraj Kanwar	Member	Executive	2
Mr Sunam Sarkar	Member	Executive	9
Ms Pallavi Shroff (w.e.f. November 10, 2014)	Member	Non-Executive Independent	1

Ceased to be a Member

Name of Director	Designation	Category of Director	No. of meetings attended
Mr U S Oberoi (w.e.f. November 26, 2014)	Member	Executive	8
Mr K Jacob Thomas (w.e.f. November 10, 2014)	Member	Non-Executive Independent	-

(d) No. of shareholders' complaints received

During FY 15, the Company received 36 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.

7. 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

Accordingly, the Board of Directors at its meeting held on March 28, 2014 constituted the “Corporate Social Responsibility Committee” comprising of following three Directors viz Mr Onkar S Kanwar, Dr S Narayan and Mr Sunam Sarkar. Mr Onkar S Kanwar acts as the Chairman of the Committee.

(c) Meetings of CSR Committee and attendance of members during the year.

During FY15, 1 (one) meeting of CSR Committee was held on October 31, 2014:-

Name of Director	Designation	Category of Director	No. of meetings attended
Mr Onkar S Kanwar	Chairman	Executive	1
Dr S Narayan	Member	Non-Executive Independent	1
Mr Sunam Sarkar	Member	Executive	1

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.

8. CEO/CFO Certification

The Managing Director and CFO have submitted certificate, in terms of clause 49 of the listing agreement, to the Board.

9. General Body Meetings

(a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution Passed
2013-2014	06.08.2014	10.00 A.M	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)	1) To authorize raising of funds through issue of Securities. 2) To authorize placement of Non-Convertible Debentures. 3) To approve the increase in the limits of FIIs Holding in the Company
2012-2013	07.08.2013	-do-	-do-	No Special Resolution was passed
2011-2012	09.08.2012	-do-	-do-	No Special Resolution was passed

(b) Resolutions passed last year through postal ballot:

- i) Resolutions passed during FY15: 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 and sent the postal ballot form to shareholders. The following resolutions were passed through postal ballot :-

Last Date of Dispatch of Postal Ballot Forms	I tems approved by the shareholders	Date of passing of resolution	Ordinary/ Special resolution
06.01.2015	i) Limits of Borrowing u/s 180 (1) (c) of the Companies Act 2013. ii) Creation of Security u/s 180 (1) (a) of the Companies Act 2013 in connection with the borrowings of the Company.	09.02.2015	Special Resolutions

Voting Pattern of the resolutions passed through postal ballot, are as follows:

Item No. 1: Limits of Borrowing under Section 180 (1) (c) of the Companies Act 2013

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	1369	829	2198
Total number of valid votes	3014831	343152557	346167388
Votes cast in favour of the Resolution	2992735	341865637	344858372
Votes cast against the Resolution	20336	10622	30958
Votes abstained from casting	1760	1276298	1278058
Requisite majority of votes for carrying the resolution as a Special Resolution	61008	31866	92874
Majority of votes received in favour of the Resolution	2972399	341855015	344827414
Number of invalid Postal Ballots	27	0	27
Number of invalid votes	18045	0	18045

Item No. 2: Creation of Security under Section 180 (1) (a) of the Companies Act 2013

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	1369	834	2203
Total number of valid votes	3014831	343154938	346169769
Votes cast in favour of the Resolution	2989570	341867770	344857340
Votes cast against the Resolution	23506	10870	34376
Votes abstained from casting	1755	1276298	1278053
Requisite majority of votes for carrying the resolution as a Special Resolution	70518	32610	103128
Majority of votes received in favour of the Resolution	2966064	341856900	344822964
Number of invalid Postal Ballots	27	0	27
Number of invalid votes	18045	0	18045

- ii) 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.

- iii) 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 there of 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 items mentioned above.

10. Disclosures

(a) Related Party Transactions

In Compliance with Section 188 of the Companies Act 2013, Revised Clause 49 of the Listing Agreement) 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 has 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. The Register of Contracts containing transactions, in which Directors are interested, is placed before the board regularly. Related Parties transactions with them as required under Accounting Standard (AS-18) are furnished under Notes on Accounts attached with the financial statements for the year ended March 31, 2015.

(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's activities expose it to a variety of risks including market risk, sales risk, raw material risk, regulatory risk, product liability and liquidity risk etc. The Company's overall risk management seeks to minimise potential adverse effects on its performance.

A Risk Management Steering Committee of the Company has been formed headed by President (APMEA) as Chairman of the Committee and represented by the functional heads as Chief Risk officers .The Committee embraces the identification, assessment, mitigation, monitoring and reporting of material risks faced by the Company.

The Risk Management Steering Committee meets quarterly and discusses the updated profiles of major risks in each functional area together with possible mitigation controls and action plans. The objective is to assist the Board to maintain high standards of business conduct and to protect the Company's assets, achieve sustainable business growth and ensure compliances with applicable legal and regulatory requirements.

The Company has made its Risk Charter and Risk Register etc. on the basis of comprehensive study undertaken by an independent consultancy firm to frame a risk management policy/internal control frame work. The Board/ Audit Committee periodically reviews the risks and opportunities and plans to mitigate the same.

(d) Compliance by the Company

The Company has materially complied with the requirements of the Stock Exchanges, 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 authorities relating to the above. 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.

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

As per the provisions of clause 5AII of the listing agreement (SEBI circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010) 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. In compliance with the said amendment, the Company has sent three letters to such shareholders whose share certificates are in undelivered form and hence remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details etc. registered with the Company in order to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account." The Company has initiated the process of dematerialisation and transfer

of said unclaimed/undelivered shares into an "Unclaimed Suspense Account" The status of unclaimed shares as on March 31, 2015 are as under :-

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, i.e., April 1, 2014	1459730
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year	30
Number of shareholders to whom shares were transferred from suspense account during the year	26250
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e., March 31, 2015	1433480

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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" and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

(f) Disclosure in terms of Clause 49 of the Listing Agreement

There are no inter-se relationships between the Board members except Mr Onkar S Kanwar and Mr Neeraj Kanwar being father and son.

11. Means of communication

- The quarterly/half yearly and annual financial results of the Company are normally published in Business Standard (national daily) and Kerala Kaumudi (regional daily). In addition to the above, quarterly and annual results are displayed at our website at www.apollotyres.com for the information of all shareholders.
- 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.

12. General Shareholder Information

a) Registered Office	6th Floor Cherupushpam Building Shanmugham Road Kochi 682031, Kerala Ph:-91 484 2381808, 2372767
b) Annual General Meeting:	
- Date	: August 11, 2015
- Day	: Tuesday
- Time	: 10.00 a.m
- Venue	: Kerala Fine Arts Theatre Fine Arts Avenue Foreshore Road Ernakulum, Kochi (Kerala)
- Posting of Annual Report	: On or before July 18, 2015.
- Last date of receipt of Proxy form	: August 9, 2015 before 10.00 a.m

c) Financial Calendar for FY16

Financial Reporting for the quarter ending June 30, 2015: On or before August 14, 2015.

Financial Reporting for the quarter ending September 30, 2015: On or before November 14, 2015.

Financial Reporting for the quarter ending December 31, 2015: On or before February 14, 2016.

Financial Reporting for the quarter/year ending March 31, 2016 : On or before May 30, 2016.

d) Dates of Book-Closure

The dates of the book closure shall be from August 6, 2015 to August 11, 2015 (both days inclusive).

e) Dividend Payment

The dividend of ₹ 2.00 per equity share for the FY 15, subject to approval from shareholders, has been recommended by the Board of Directors. The same shall be paid on or after August 11, 2015 but within the statutory time limit.

f) Unclaimed Dividends

As provided in section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended March 31, 2008 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEP Fund) established by the Central Government, and no payments shall be made in respect of any such claims by the IEP Fund.

During the year, the Company had transferred ₹ 17.20 lac lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2006-07 to the said Fund on September 20, 2014.

g) 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 El: cmlist@nse.co.in	2. BSE Ltd Phiroje Jeejeebhoy Towers 1st Floor, Dalal Street Mumbai 400001 T: +91 22 22721233/34 F: +91 22 22721919/3027 E: corp.relations@bseindia.com
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The annual listing fee for FY16 has been paid to all the aforesaid stock exchanges.

*With regard to Cochin Stock Exchange, "Securities and Exchange Board of India (SEBI) has granted exit order dated December 23, 2014 to the Cochin Stock Exchange (CSE) and the Stock Exchange has returned its license to SEBI. In light of the said order, all the provisions of Listing Agreement, would be applicable to Companies listed with CSE, till the quarter ended December 31, 2014. As the Cochin Stock Exchange is no longer in existence, your Company would remain listed on NSE & BSE"

h) Stock Code

BSE Ltd,	500877
National Stock Exchange of India Ltd.	APOLLOTYRE

i) Stock Market Price Data for the year 2014-15: The Company's share price on NSE and Nifty Index

Month	NSE			Nifty Index	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2014	178.90	154.50	71.20	6869.85	6650.40
May, 2014	193.95	157.55	99.20	7563.50	6638.55
June, 2014	213.40	175.00	85.67	7700.05	7239.50
July, 2014	214.80	164.25	87.03	7840.95	7422.15
August, 2014	190.00	160.55	84.55	7968.25	7540.10
September,2014	217.80	166.70	161.63	8035.00	7841.80
October, 2014	226.75	196.00	109.08	8330.75	7723.85
November, 2014	242.95	214.35	70.25	8617.00	8290.25
December, 2014	242.75	210.00	57.50	8623.00	7961.35
January, 2015	246.00	214.50	54.69	8985.05	8111.35
February, 2015	249.80	170.45	116.62	8941.10	8470.50
March, 2015	183.40	155.00	71.44	9119.20	8269.15

The Company's share price on BSE and Sensex

Month	BSE			SENSEX	
	High (₹)	Low(₹)	Volume (in million)	High	Low
April, 2014	178.90	150.90	10.83	22,939.31	22,197.51
May, 2014	193.90	157.55	13.58	25,375.63	22,277.04
June, 2014	213.25	175.80	10.80	25,725.12	24,270.20
July, 2014	214.80	164.55	9.16	26,300.17	24,892.00
August, 2014	189.90	160.85	9.86	26,674.38	25,232.82
September,2014	217.70	166.35	19.51	27,354.99	26,220.49
October, 2014	226.70	196.40	11.34	27,894.32	25,910.77
November, 2014	242.70	214.35	7.05	28,822.37	27,739.56
December, 2014	242.60	205.50	5.91	28,809.64	26,469.42
January, 2015	245.80	215.00	5.05	29,844.16	26,776.12
February, 2015	249.45	170.45	13.77	29,560.32	28,044.49
March, 2015	183.35	154.70	11.69	30,024.74	27,248.45

j) Shares Traded during April 1, 2014 to March 31, 2015

Particulars	BSE	NSE
No.of shares traded (in million)	128.55	1068.86
Highest Share Price (in ₹)	249.45	249.80
Lowest Share Price (in ₹)	150.90	154.50
Closing Share Price (as on March 31, 2015)	168.25	168.25
Market Capitalization (as on March 31, 2015) (in million)	85643.42	85643.42

k) Elimination of Duplicate Mailing

The shareholders who are holding physical shares in more than one folio in identical name, or in joint holder's name in similar order, may send the Share certificate(s), along with request for consolidation of holding in one folio, to avoid mailing of multiple annual reports.

l) Share Transfer System

To expedite the share transfer in physical segment, Stakeholders Relationship Committee has authorised Whole-time Director and/or Company Secretary to approve transfer of securities upto 10,000 received from individuals on weekly basis. In case of approval of transfer of securities over 10,000, the Stakeholders Relationship Committee meets at periodical intervals. In any case, all share transfers are completed within the prescribed time limit from the date of receipt, if document meets the stipulated requirement of statutory provisions in all respects. In reference to SEBI directives, the Company is providing the facility for transfer and dematerialization of securities simultaneously. The total no. of shares transferred during the year were 80,321. All the transfers were completed within stipulated time.

As per the requirement of clause 47 (c) of the listing agreement with the stock exchanges, the Company has obtained the half yearly certificates from the Company secretary in practice for due compliance of share transfer formalities.

m) Distribution of Shareholding

The following is the distribution of shareholding of equity shares of the Company as on March 31, 2015:-

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
1-5000	129838	99.17	35451084	6.96
5001-10000	483	0.37	3601672	0.71
10001-20000	196	0.15	2864672	0.56
20001-30000	63	0.05	1555914	0.31

30001-40000	28	0.02	1015592	0.20
40001-50000	20	0.01	915290	0.18
50001-100000	65	0.05	4802166	0.94
100001 & above	230	0.18	458818380	90.14
Total	130923	100.00	509024770	100.00

The Promoter and Promoter group hold 224.26 million shares constituting 44.06% of the share capital of the Company as on March 31, 2015.

n) Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Company secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

The Company secretary in practice conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed and is also placed before the Board.

o) Dematerialisation of Shares and Liquidity

The equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE438A01022.

As on March 31, 2015, 97.77% of the share capital stands dematerialised. BSE and NSE have permitted trading of Apollo Tyres' share into future and option (F&O) segment with effect from February 19, 2010.

p) 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.

q) Share Transfer Department

All communications regarding change of address for shares held in physical form, dividend etc. should be sent at the Company's 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@apolloytyres.com

r) ECS Mandate

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

s) E-voting

To widen the participation of shareholders in Company decision pursuant to provisions of section 108 of Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014, the Company has provided e-voting facility to its shareholders, in respect of all shareholder's resolutions to be passed at general meetings.

Register e-mail address

To contribute towards greener environment, the Company proposes to send documents like shareholders meeting notice/other notices, audited financial statements, Director'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.

t) Plant Location:

- Perambra, P O Chalakudy
Trichur 680689, Kerala
- Limda, Taluka Waghodia
Dist. Vadodara 391760, Gujarat
- SIPCOT Industrial Growth Centre
Oragadam, Chennai, Tamil Nadu

u) Address for correspondence	:	Secretarial Department
for share transfer/demat		Apollo Tyres Ltd.
of shares, payment of dividend		Apollo House, 7 Institutional Area
and any other query relating		Sector 32, Gurgaon 122001
to shares.		Tel: +91 124-2721000

v) As on March 31, 2015, there were no outstanding GDRs/ADRs/ Warrants or any convertible instruments.

w) Adoption of mandatory and non-mandatory requirements of Clause 49

The Company has compiled with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement :-

Audit Qualification

The Company is in the regime of unqualified financial statements.

13. Additional Information

a) Investor Relations Section

The Investors Relations Section is located at the corporate office of the Company.

Contact person : Ms. Seema Thapar, Compliance Officer

Time : 10.00 am to 6.00 pm on all working days of the Company (except Saturdays and Sundays)

T: : +91 124 2721000

F: : +91 124 2383351

E: : investors@apolloytyres.com

b) Bankers

ANZ Banking Group Ltd	ICIC Bank Ltd
Axis Bank Ltd	IDBI Bank Ltd
Bank of India	ING Vysya Bank Ltd
Barclays Bank PLC	Kotak Mahindra Bank Ltd
BNP Paribas	Standard Chartered Bank
Canara Bank	State Bank of India
Citibank N.A.	State Bank of Mysore
Corporation Bank	State Bank Of Travancore
Credit Agricole CIB	The Bank Of Nova Scotia
DBS Bank Ltd	The Bank of Tokyo-Mitsubishi UFJ Ltd
Deutsche Bank	UCO Bank
HDFC Bank	Union Bank of India
HSBC Ltd	Yes Bank Ltd

c) Auditors

Deloitte Haskins & Sells, Chennai, Chartered Accountants.

d) **Cost Auditors**

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, 2014
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@sify.com	Filing date: August 30, 2014

e) **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 revised 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.

f) **Code of Conduct for Directors and Senior Management**

The Board of Directors of Apollo Tyres has laid down a code of business conduct called "The Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is applicable to all the Directors and Senior Management of the Company. The Company Secretary of the Company is the compliance officer.

g) **Whistle Blower Policy / Vigil Mechanism**

Apollo Tyres believes in the conduct of its business affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In order to inculcate accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. Your Company has approved a whistle blower policy which will enable all employees, Directors and other stakeholders to raise their genuine concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice or irregularity within the Company and/or to report to the management instances of unethical behavior, actual or suspected, fraud or violation of Company's code of conduct or ethics policy.

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 .

h) **Code of Practices and Procedures for Fair Disclosuure**

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 the listing agreement(s) 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.

i) **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 of a woman. Such acts violate her 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 rule thereof, the Company adopts the policy to prevent and deal with sexual harassment of women at the workplace. The Company is committed to provide to all women, who are present at the workplace, a work environment free from sexual harassment, intimidation and exploitation.

j) **Declaration by Independent Directors under sub-section (6) of section 149 & Clause 49 of the Listing Agreement**

During FY15, the Company received declaration in terms of the provisions of Section 149(6) & 149(7) of the Companies Act, 2013 and Clause 49(I)(A)(iii) and 49(I)(C) of the Listing Agreement of Stock Exchanges from the following independent Directors viz. Mr A K Purwar, Mr Akshay Chudasama, Mr K Jacob Thomas, Mr Nimesh N Kampani, Ms Pallavi Shroff, Mr Robert Steinmetz, Dr S Narayan and Mr Vikram S Mehta.

k) **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 programmes for Independent Directors	http://www.apollotyres.com/uploads/familiarisation-programme-for-independent-directors_1.pdf
Policy for determining 'material' subsidiaries	http://www.apollotyres.com/uploads/policy-for-determining-material-subsiidiaries.pdf
Policy on dealing with related party transactions	http://www.apollotyres.com/uploads/policy-on-related-party-transaction.pdf
CSR policy	http://www.apollotyres.com/uploads/csr%20policy%20-%20atL.pdf
Code of conduct for Directors and Senior Management	http://www.apollotyres.com/uploads/code-of-conduct-for-directors-and-senior-management.pdf
Whistle Blower Policy / Vigil Mechanism	http://www.apollotyres.com/uploads/whistle-blower-policy.pdf

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, 2015.

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 FY15.

For and on behalf of the Board of Directors



(Onkar S Kanwar)

Chairman & Managing Director

Place: Gurgaon

Date : May 12, 2015

COMPLIANCE:

The certificate dated May 12, 2015 obtained from statutory auditors, M/s. Deloitte Haskins & Sells, Chennai forms part of this annual report and the same is given herein:

Independent Auditors' Certificate on Corporate Governance

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Apollo Tyres Ltd., ("the Company"), having its Registered Office at 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi, Kerala 682 031, have examined the compliance of conditions of corporate governance by the Company, for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement, as amended from time to time, of the Company with the stock exchanges.
2. We have been requested by the Management of the Company to provide a certificate on compliance of corporate governance under Clause 49 of the Listing Agreement, as amended from time to time.
3. The Management is reponsible for the compliance of conditions of corporate governace. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Comapny.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firms' Registration No.008072S)

sd/-

M.K. Ananthanarayanan
Partner

(Membership No.19521)

Place: Chennai
Date : May 12, 2015.

CEO AND CFO CERTIFICATE
(UNDER SUB CLAUSE IX OF CLAUSE 49 OF THE LISTING AGREEMENT)

To,
The Board of Directors,
Apollo Tyres Ltd.

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, 2015 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) Based on our observance and on the basis of submissions received through sub-certification process, we certify that internal controls and financial reporting are established, maintained and are effective considering the nature and size of the business requirement. 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.

Date : May 12, 2015
Place : Gurgaon

Sd/-
Onkar S Kanwar
(Chairman & Managing Director)

Sd/-
Gaurav Kumar
(Chief Financial Officer)

STANDALONE ACCOUNTS

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF APOLLO TYRES LTD.

Report on the Standalone Financial Statements

- 1. We have audited the accompanying standalone financial statements of APOLLO TYRES LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

- 2. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor’s Responsibility

- 3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

- 4. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 5. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government in terms of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 6. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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 ₹ 3.60 Million (Previous Year ₹ 2.92 Million) which has not been transferred as per the orders/instructions of the Special Court (Trial of Offences relating to Transactions in Securities), Mumbai.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firms' Registration No.008072S)

sd/-

M.K. Ananthanarayanan

Partner

(Membership No.19521)

Place of Signature: Gurgaon

Date: May 12, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 6 of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73, Section 76 or any other relevant provisions of the Act.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax and Excise Duty which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount involved (₹ Million)
Sales Tax Act applicable to various States	Sales tax	Various Appellate Authorities / Revenue Board / High Court.	Financial Years 1990-91 to 2002-03, 2004-05 to 2006-07 and 2010-11.	115.77*

Central Excise Act, 1944	Excise Duty and Additional Excise Duty	Various Appellate Authorities / High Court.	1994-95 to 2009-10	925.75**
Income Tax Act, 1961	Income tax	Various Appellate Authorities / High Court.	1987-88 to 2012-13	751.53***

* Net of Deposits of ₹ 48.05 Million

** Net of Deposits of ₹ 1.65 Million

*** Net of Deposits of ₹ 141.43 Million

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time other than ₹ 3.60 Million (Previous Year ₹ 2.92 Million) which has not been transferred as per the orders/instructions of the Special Court (Trial of Offences relating to Transactions in Securities), Mumbai.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company including the bank deposits pledged by the Company for loans taken by others as referred to in Note B10(c) to the financial statements.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firms' Registration No.008072S)

sd/-

M.K. Ananthanarayanan

Partner

(Membership No.19521)

Place of Signature: Gurgaon

Date: May 12, 2015

BALANCE SHEET
AS AT MARCH 31, 2015

	Notes	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
A. EQUITY & LIABILITIES			
1. Shareholders' Funds :			
(a) Share Capital	B1	509.09	504.09
(b) Reserves and Surplus	B2	32,197.76	26,786.32
(c) Money Received against Share Warrants	C7	-	107.75
		<u>32,706.85</u>	<u>27,398.16</u>
2. Non-Current Liabilities:			
(a) Long-term Borrowings	B3	3,339.39	7,137.33
(b) Deferred Tax Liabilities (Net)	C18(a)	4,122.42	3,909.45
(c) Other Long-term Liabilities	B3	69.14	62.12
(d) Long-term Provisions	B3	78.43	67.61
		<u>7,609.38</u>	<u>11,176.51</u>
3. Current Liabilities:			
(a) Short-term Borrowings	B4	4,626.60	1,806.73
(b) Trade Payables		6,621.81	8,983.41
(c) Other Current Liabilities		5,616.92	8,892.00
(d) Short-term Provisions		4,032.50	2,863.20
		<u>20,897.83</u>	<u>22,545.34</u>
TOTAL		<u><u>61,214.06</u></u>	<u><u>61,120.01</u></u>
B. ASSETS			
1. Non-Current Assets:			
(a) Fixed Assets	B5		
(i) Tangible Assets		30,965.27	32,421.61
(ii) Intangible Assets		105.15	114.21
(iii) Capital Work-in-Progress		<u>1,296.48</u>	<u>349.71</u>
		<u>32,366.90</u>	<u>32,885.53</u>
(b) Non-Current Investments	B6	6,519.19	6,514.64
(c) Long-term Loans & Advances	B7	1,780.28	1,230.38
(d) Other Non-Current Assets	B8	360.18	214.14
		<u>41,026.55</u>	<u>40,844.69</u>
2. Current Assets:			
(a) Current Investments	B9	1,000.00	-
(b) Inventories	B10	11,851.86	12,836.92
(c) Trade Receivables	B10	3,200.10	2,405.45
(d) Cash & Cash Equivalents	B10	2,078.40	2,211.10
(e) Short Term Loans & Advances	B11	1,681.19	2,445.80
(f) Other Current Assets	B12	375.96	376.05
		<u>20,187.51</u>	<u>20,275.32</u>
TOTAL		<u><u>61,214.06</u></u>	<u><u>61,120.01</u></u>

See accompanying notes forming part of the financial statements

In terms of our report attached			
For DELOITTE HASKINS & SELLS	ONKAR S KANWAR	NEERAJ KANWAR	S NARAYAN
Chartered Accountants	Chairman &	Vice Chairman &	Director
	Managing Director	Managing Director	
M K ANANTHANARAYANAN			
Partner			
	GAURAV KUMAR		SEEMA THAPAR
	Chief Financial Officer		Company Secretary
Gurgaon			
May 12, 2015			

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2015

	Notes	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
1. Revenue from Operations:			
Gross Sales	C13(A)	98,772.72	95,892.83
Less : Excise Duty		9,990.04	9,792.03
Net Sales		<u>88,782.68</u>	<u>86,100.80</u>
Other Operating Income	B13	595.49	1,016.52
		<u>89,378.17</u>	<u>87,117.32</u>
2. Other Income			
	B14	375.46	792.26
3. Total Revenue (1 +2)			
		<u><u>89,753.63</u></u>	<u><u>87,909.58</u></u>
4. Expenses :			
(a) Cost of Materials Consumed	B15	54,007.14	57,243.06
(b) Purchase of Stock-in-Trade	B15	2,492.19	2,502.76
(c) Changes in Inventories of Finished Goods, Work in Progress & Stock-in-Trade	B16	197.29	(1,158.67)
(d) Employee Benefits Expenses	B15	5,451.32	4,532.54
(e) Finance Costs	B17	1,720.88	2,446.10
(f) Depreciation & Amortization expenses	B5	2,467.80	2,480.46
(g) Other Expenses	B15	14,075.59	13,008.41
Total Expenses		<u><u>80,412.21</u></u>	<u><u>81,054.66</u></u>
5. Profit before Exceptional Items and Tax (3 - 4)			
		9,341.42	6,854.92
6. Exceptional Items			
	C6	-	710.47
7. Profit before Tax (5 - 6)			
		9,341.42	6,144.45
8. Tax Expense			
(a) Current Tax Expense		2,544.70	1,327.21
(b) Deferred Tax Expense		345.91	391.05
Total Tax Expense		<u>2,890.61</u>	<u>1,718.26</u>
9. Profit for the Year (7 - 8)			
		<u><u>6,450.81</u></u>	<u><u>4,426.19</u></u>
Earnings per Share of ₹ 1 each:			
(a) Basic	C28	12.70	8.78
(b) Diluted		12.69	8.77

See accompanying notes forming part of the financial statements

In terms of our report attached			
For DELOITTE HASKINS & SELLS	ONKAR S KANWAR	NEERAJ KANWAR	S NARAYAN
Chartered Accountants	Chairman &	Vice Chairman &	Director
	Managing Director	Managing Director	
M K ANANTHANARAYANAN			
Partner			
	GAURAV KUMAR		SEEMA THAPAR
	Chief Financial Officer		Company Secretary
Gurgaon			
May 12, 2015			

CASH - FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2015

		Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
A	CASH FLOW FROM OPERATING ACTIVITIES		
	(i) Net Profit Before Tax	9,341.42	6,144.45
	Add: Adjustments for:		
	Depreciation and Amortization Expenses	2,467.80	2,480.46
	Loss on Sale of Tangible Fixed Assets (Net)	26.24	23.93
	Dividend from Trade & Non Trade Investments	(26.30)	(92.57)
	Provision for Doubtful Trade Receivables / Advances written back	-	(17.13)
	Provision for Constructive Liability	7.50	-
	Provision for Compensated Absences	37.83	7.80
	Liabilities / provisions no longer required written back	(20.00)	(26.37)
	Finance Cost (Net of Interest Capitalized)	1,720.88	2,446.10
	Interest Income	(57.19)	(182.60)
	Provision for estimated loss on derivatives	82.64	67.14
	Unrealized (Gain) / Loss on Foreign Exchange Fluctuations	18.05	(73.17)
	Provision for contingencies	-	425.00
	Doubtful Receivables / Advances Written Off	-	17.13
	(ii) Operating Profit Before Working Capital Changes	4,257.45	5,075.72
	Changes in Working Capital	13,598.87	11,220.17
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	985.06	(1,628.66)
	Trade Receivables	(763.20)	584.16
	Short-term loans and advances	314.48	(426.01)
	Long-term loans and advances	(260.61)	(9.81)
	Other Non-Current Assets	(146.04)	-
	Other Current Assets	-	(589.14)
	Adjustments for increase / (decrease) in operating liabilities:	129.69	(2,069.46)
	Trade Payables	(2,391.68)	3,061.23
	Other Current Liabilities	(4.67)	28.91
	Other Long-term Liabilities & provisions	17.84	5.63
	Short-term Provisions	161.68	274.50
	(iii) Cash Generated from Operations	(2,216.83)	3,370.27
	Less: Direct Taxes Paid (Net of Refund)	11,511.73	12,520.98
	Net Cash From Operating Activities	1,997.96	1,254.36
		9,513.77	11,266.62
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets (including interest capitalized)	(2,723.00)	(2,012.16)
	Proceeds from sale of Fixed Assets	64.18	92.94
	Investments in Mutual Funds	(1,000.00)	-
	Long Term Investment made in Subsidiary	(4.05)	(383.98)
	Long Term Investment made in Other Companies	-	(3.71)
	Long Term Fixed Term Deposits With Banks taken / matured	15.86	14.31
	Dividends received from Trade & Non Trade Investments	26.30	92.57
	Interest received	57.28	182.25
	Net Cash Used in Investing Activities	(3,563.43)	(2,017.78)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Share Capital including Share Premium	323.25	-
	Capital Subsidy received	22.50	-
	ETP Subsidy received	3.00	-
	Repayment of Long Term Borrowings	(6,987.27)	(2,247.22)
	Bank Overdraft / Short Term Borrowings (net of repayments)	2,820.01	(3,535.52)
	Payment of Dividends (including Dividend Tax)	(446.65)	(294.84)
	Finance Charges paid (Net of Interest capitalized)	(1,805.42)	(2,490.01)
	Net Cash Used in Financing Activities	(6,070.58)	(8,567.59)
	Net Increase in Cash & Cash Equivalents	(120.24)	681.25
	Cash & Cash Equivalents as at Beginning of the year	2,211.10	1,541.92
	Less: Bank Deposits with Original Maturity over Three Months	56.87	71.18
	Less: Unpaid Dividends Bank Accounts	32.45	30.24
		2,121.78	1,440.50
	Gain on Reinstatement of Foreign Currency Cash & Cash Equivalents	(0.12)	(0.09)
	Adjusted Cash & Cash Equivalents as at Beginning of the year	2,121.66	1,440.41
	Cash & Cash Equivalents as at the end of the year	2,078.40	2,211.10
	Less: Bank Deposits with Original Maturity over Three Months	41.01	56.87
	Less: Unpaid Dividends Bank Accounts	35.91	32.45
		2,001.48	2,121.78
	Gain on Reinstatement of Foreign Currency Cash & Cash Equivalents	(0.06)	(0.12)
	Adjusted Cash & Cash Equivalents as at the end of the year	2,001.42	2,121.66
In terms of our report attached			
For DELOITTE HASKINS & SELLS	ONKAR S KANWAR	NEERAJ KANWAR	S NARAYAN
Chartered Accountants	Chairman &	Vice Chairman &	Director
	Managing Director	Managing Director	
M K ANANTHANARAYANAN			
Partner			
	GAURAV KUMAR	SEEMA THAPAR	
Gurgaon	Chief Financial Officer	Company Secretary	
May 12, 2015			

A. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The company's principal business activity 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 comprise of four tyre manufacturing plants - located two in Cochin and one each at Vadodara & Chennai respectively and various sales & marketing offices spread across the country. The company's European subsidiary Apollo Vredestein BV (AVBV) has a manufacturing plant in the Netherlands and sales & marketing subsidiaries all over Europe. The company also has sales and marketing subsidiaries in Middle East and ASEAN region.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention with the exception of certain fixed assets, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note C 10.

2.2 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances, allowance for slow and non-moving inventories, useful lives of fixed assets, provision for sales related obligations and provision for taxation etc. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 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 of 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.

In case of raw materials, stores & spares and traded goods, cost (net of CENVAT/VAT 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.

2.4 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.

2.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 DEPRECIATION AND AMORTISATION

Tangible Fixed Assets

Depreciation on fixed assets is provided using straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Certain plant and machinery are classified as continuous process plants based on technical evaluation by the management and are depreciated at the applicable rates.

Additional depreciation consequent to the enhancement in the value of fixed assets on the revaluation is adjusted in the fixed assets revaluation reserve account.

Leasehold land / Improvements thereon are amortized over the primary period of lease.

In respect of fixed assets whose useful life has been revised, the unamortized depreciable amount is charged over the revised remaining useful life.

Intangible Assets

The intangible assets are amortized over a period of five years based on its estimated useful life and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 REVENUE RECOGNITION

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer which generally coincides with the delivery of goods to customers. Gross sales are inclusive of excise duty and are net of trade discounts/sales returns/VAT.

2.8 OTHER INCOME

Interest income is accounted on accrual basis. Dividend income on investments is accounted for when the right to receive the payment is established. Royalty income is accounted when the right to receive the same is established.

2.9 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost, as adjusted by revaluation of certain land, buildings, plant and machineries based on the then replacement cost as determined by approved independent valuer in 1986 and 1987, less depreciation.

All costs relating to the acquisition and installation of fixed assets (net of Cenvat /VAT credits wherever applicable) are capitalized 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.

Fixed assets taken on finance lease are capitalized and depreciation is provided on such assets, while the interest is charged to the statement of profit and loss.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 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. Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the statement of profit and loss.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast) or similar instrument, which are not intended for trading or speculation purposes, is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rates change.

Exchange difference arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation has been accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of net investment, at which time they would be recognized as income or as expense.

2.11 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 capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export Incentives in the form of advance licences / credits earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realizable value / actual credit earned on exports made during the year.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 INVESTMENTS

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

2.13 EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Liability for gratuity to employees determined on the basis of actuarial valuation, using projected unit method, as on balance sheet date is funded with the Life Insurance Corporation of India and is recognized as an expense in the year incurred.

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation, using projected unit method, as on the balance sheet date.

Contributions to defined contribution schemes such as provident fund, employees' pension fund, superannuation fund and cost of other benefits are recognized as an expense in the year incurred. The shortfall, if any, between the return from the investments of Company's Employees Provident Fund Trust and the notified interest rate is recognized as an expense in statement of Profit and Loss in the year in which the shortfall is expected to arise.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in the statement of profit and loss as income or expense.

2.14 EMPLOYEE SHARE BASED PAYMENTS

Stock appreciation rights (Phantom stock units) granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) is recognized based on intrinsic value method. Intrinsic value of the phantom stock unit is determined as excess of closing market price on the reporting date over the exercise price of the unit and is charged as employee benefit over the vesting period in accordance with "Guidance Note on Accounting for Employee Share-based payments" issued by Institute of Chartered Accountants of India.

2.15 BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs are capitalized as a part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.16 SEGMENT REPORTING

The Company identifies operating and geographic segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.17 LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are recognized as operating leases. Operating Lease payments are recognized as an expense in the statement of profit and loss as per the lease terms.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

2.18 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.

2.19 TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year 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 timing differences. Deferred tax assets are recognized only to the extent there is a reasonable certainty that assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence of realization of such assets.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.20 INTANGIBLE ASSETS

Intangible assets 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 taxing 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.

2.21 RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the 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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.22 IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.23 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present obligation 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.24 PROVISION FOR SALES RELATED OBLIGATIONS

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. The timing of outflows will vary as and when the obligation will arise - being typically upto three years.

2.25 DERIVATIVE CONTRACTS

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.26 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.27 SERVICE TAX INPUT CREDITS

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.28 OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

B. NOTES FORMING AN INTEGRAL PART OF THE ACCOUNTS

B 1 SHARE CAPITAL

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) AUTHORISED 730,000,000 (730,000,000) Equity Shares of ₹ 1 each	730.00	730.00
 200,000 (200,000) Cumulative Redeemable Preference Shares of ₹ 100 each	20.00	20.00
	<u>750.00</u>	<u>750.00</u>
(b) ISSUED, SUBSCRIBED, CALLED AND FULLY PAID UP Equity Shares of ₹ 1 each: 509,024,770 (504,024,770)Equity Shares	509.02	504.02
 Add: Forfeited Shares : 13,565 (13,565)	0.07	0.07
	<u>509.09</u>	<u>504.09</u>

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ Million	No. of Shares	₹ Million
Opening Balance	504,024,770	504.02	504,024,770	504.02
Add: Shares allotted on conversion of Share Warrants (Note C 7)	5,000,000	5.00	-	-
Closing Balance	509,024,770	509.02	504,024,770	504.02

(d) Details of Shareholders holding more than 5% of the Paid Up Equity Share Capital of the Company with Voting Rights:

		As at March 31, 2015		As at March 31, 2014	
S.No.	Name of the Shareholder	No. of Shares	%age	No. of Shares	%age
1	Neeraj Consultants Ltd	42,508,142	8.35%	42,508,142	8.43%
2	Apollo Finance Ltd	36,759,650	7.22%	36,759,650	7.29%
3	Sunrays Properties & Investment Co. Pvt Ltd	35,725,648	7.02%	35,725,648	7.09%
4	Constructive Finance Pvt Ltd	29,630,857	5.82%	29,630,857	5.88%
5	Skagen Kon-Tiki Verdipapirfond	-	-	27,020,843	5.36%

(e) The rights, preferences and restrictions attached to equity shares of the Company:

The company has only one class of 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) Shares issued towards outstanding share warrants - Note C7.

B 2 RESERVES AND SURPLUS

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) Capital Subsidy - Note C 5	25.50	3.00
(b) Capital Redemption Reserve	44.40	44.40
(c) Securities Premium Account		
As per last Balance Sheet	5,659.71	5,659.71
Add: Received during the year - Note C 7	426.00	-
	<u>6,085.71</u>	<u>5,659.71</u>
(d) Debenture Redemption Reserve		
As per last Balance Sheet	1,658.33	1,170.83
Add: Transfer from Surplus in Statement of Profit & Loss	300.00	591.67
Less: Utilised during the year	1,000.00	104.17
	<u>958.33</u>	<u>1,658.33</u>
(e) Revaluation Reserve	31.22	31.22
(f) Share Forfeiture ₹ 1,375/- (₹ 1375/-)	-	-
(g) General Reserve		
As per last Balance Sheet	9,006.63	8,006.63
Add:Transfer from Surplus in Statement of Profit & Loss	1,000.00	1,000.00
	<u>10,006.63</u>	<u>9,006.63</u>
(h) Surplus in Statement of Profit & Loss		
As per last Balance Sheet	10,383.03	7,886.60
Add: Transfer from Debenture Redemption Reserve	1,000.00	104.17
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax of ₹ 132.94 Million - Note C 10)	258.18	-
Add: Net Profit for the year	6,450.81	4,426.19
Balance available for Appropriation	<u>17,575.66</u>	<u>12,416.96</u>
 Less: Appropriations made during the year:		
General Reserve	1,000.00	1,000.00
Debenture Redemption Reserve	300.00	591.67
Proposed Dividend: ₹ 2.00 per share (₹ 0.75 per share)	1,018.05	378.02
Dividend Tax	207.25	64.24
* Dividend for previous year	3.75	-
* Dividend Tax on dividend for previous year	0.64	-
	<u>2,529.69</u>	<u>2,033.93</u>
Closing Balance	<u>15,045.97</u>	<u>10,383.03</u>
 Total Reserves and Surplus	<u><u>32,197.76</u></u>	<u><u>26,786.32</u></u>

* Dividend & Dividend tax for previous year relate to dividend paid on 5,000,000 equity shares which were allotted on conversion of 5,000,000 warrants after March 31, 2014 but before July 20, 2014 (book closure date) (Note - C7).

B3 NON - CURRENT LIABILITIES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
LONG - TERM BORROWINGS		
(a) SECURED : *		
(i) Debentures		
1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	1,000.00
1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	416.67
	<u>1,000.00</u>	<u>2,416.67</u>
(ii) Term Loans		
From Banks:		
External Commercial borrowings (ECB)	1,147.55	2,306.00
Rupee Term Loans	-	333.33
	<u>1,147.55</u>	<u>2,639.33</u>
From Others:		
International Finance Corporation - Loan A	677.06	902.74
International Finance Corporation - Loan B	<u>399.14</u>	<u>598.71</u>
Bharat Earthmovers Ltd. (BEML)	-	412.45
	<u>1,076.20</u>	<u>1,913.90</u>
(iii) Deferred Payment Liabilities:		
Deferred Payment Credit I - Note C 26	107.49	155.32
Deferred Payment Credit II - Note C 26	8.15	12.11
	<u>115.64</u>	<u>167.43</u>
	<u>3,339.39</u>	<u>7,137.33</u>
OTHER LONG - TERM LIABILITIES:		
Security Deposits Received from Dealers	14.53	12.92
Security Deposits Received from Employees	54.61	49.20
	<u>69.14</u>	<u>62.12</u>
LONG-TERM PROVISIONS:		
Provision for Constructive Liability - Note C 19 (c)	78.43	67.61
	<u>78.43</u>	<u>67.61</u>

*For details regarding repayment terms, Interest Rate and Nature of Security on Long Term Borrowings - Note B 3(a)

NOTE B 3 (a)

DEBENTURES:

Nature of Borrow-ing	Particulars	Amount outstanding as at March 31, 2015 ₹ Million		Amount outstanding as at March 31, 2014 ₹ Million		Rate of Interest	Terms of Repayment	Details of Security Offered
		Long Term Borrow-ings	Current Maturities of Long Term Borrowings	Long Term Borrowings	Current Maturities of Long Term Borrowings			
	1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	-	1,000.00	-	9.40%	Bullet repayment on 10-11-2017	Refer Note A2 & B1 below
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00	1,000.00	-	10.15%	Bullet Repayment on 16-04-2015.	Refer Note A3 & B1 below
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	10.15%	Bullet Repayment on 29-03-2015.	Refer Note A3 & B1 below
	1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	416.67	416.67	416.67	11.50%	Repayment in 3 equal instalments of ₹ 416.67 Million on 02-02-14, 02-02-15 & 02-02-16 respectively.	Refer Note A2 & B1 below
	2,000 - 10.10 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	2,000.00	10.10%	Bullet Repayment on 30-08-2014	Unse-cured
	1,000 - 9.70 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	9.70%	Bullet Repayment on 17-12-2014	Unse-cured
	Total Debentures	1,000.00	1,416.67	2,416.67	4,416.67			

EXTERNAL COMMERCIAL BORROWINGS FROM BANKS:

Bank 1	ECB II	56.13	112.25	168.38	112.25	9-10%	Repayment in 8 equal installments of USD 1.25 Million half yearly started from 17-12-12.	Refer Note A1 & B1 below
Bank 2	ECB II	-	-	-	349.99	9-10%	Repayment in 1 half-yearly installment of USD 1.25 Million and then 5 half-yearly installments of USD 3.75 Million started from 16-07-12.	Refer Note A1 & B2 below
	ECB III	134.85	269.70	404.55	269.70	9-10%	Repayment in 2 half-yearly installments of USD 2.50 Million and then 5 half-yearly installments of USD 3.00 Million started from 27-06-13.	Refer Note A1 & B2 below

Bank 3	ECB I	-	231.10	231.10	231.10	7-8%	Repayment in 4 equal annual installments of USD 5 Million started from 03-08-12.	Refer Note A1 & B2 below
	ECB II	139.19	139.19	278.38	139.18	9-10%	Repayment in 4 equal annual installments of USD 3.125 Million started from 16-07-13.	Refer Note A1 & B2 below
Bank 4	ECB I	200.01	99.99	300.00	-	7-8%	Repayment in 3 equal annual installments in USD equivalent to ` 100 Million starting from 29-09-15.	Refer Note A1 & B1 below
	ECB II	288.27	144.11	432.39	-	8-9%	Repayment in 3 equal annual installments of USD 2.90 Million starting from 26-10-15.	Refer Note A1 & B1 below
Bank 5	ECB I	329.10	162.10	491.20	-	10-11%	Repayment in 3 equal annual installments of USD 3.33 Million starting from 28-09-15.	Refer Note A1 & B1 below
Total External Commercial Borrowings		1,147.55	1,158.44	2,306.00	1,102.22			

RUPEE TERM LOANS FROM BANKS:

Bank 1	Rupee Term Loans	-	-	333.33	166.67	12%	Prepaid during this year.	
Total Rupee Term Loans		-	-	333.33	166.67			

TERM LOANS FROM OTHERS:

IFC	Loan A	677.06	225.69	902.74	225.69	9-10%	Repayment in 12 half-yearly installments of USD 2.50 Million each started from 17-06-2013	Refer Note A1 & B2 below
	Loan B	399.14	199.57	598.71	199.57	9-10%	Repayment in 9 half-yearly installments of USD 2.22 Million each started from 16-12-2013	Refer Note A1 & B2 below
BEML	Loan 1	-	-	412.45	82.49	2.25% lower than prevailing SBI PLR	Prepaid during this year.	
Total Term Loans from Others		1,076.20	425.26	1,913.90	507.75			

DEFERRED PAYMENT CREDIT:

Others	Deferred Payment Credit I	107.49	47.84	155.32	44.54	7-8%	Repayment along with Interest in 240 consecu- tive monthly installments started from 15-05-2007	Wind Mills purchased under the scheme.
	Deferred Payment Credit I I	8.15	8.28	12.11	7.97	8-9%	Repayment along with Interest in 20 equal quarterly installments started from April, 2010.	Engineering materials purchased under the scheme
		115.64	56.12	167.43	52.51			

DETAILS OF SECURITY OFFERED TO EXISTING LENDERS:

Note A1 A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Kodakara in Kerala, at Village Limda in Gujarat, at SIPCOT Industrial Growth Centre at Oragadam near Chennai and at Head Office in Gurgaon, Haryana together with the factory buildings, Plant & machinery & Equipments, both present & future.

Note A2 A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Kodakara in Kerala and at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.

Note A3 A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.

Note B1 A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).

Note B2 A pari passu first charge on the movable assets and pari passu second charge on the current assets of the company.

B 4 CURRENT LIABILITIES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
SHORT-TERM BORROWINGS		
Secured *		
Packing Credit	362.40	299.57
Banks - Cash Credit	1.16	2.02
Unsecured		
Buyers Credit - RM	-	173.80
Packing Credit	4,263.04	1,331.34
	<u>4,626.60</u>	<u>1,806.73</u>
TRADE PAYABLES		
Payable to Micro, Small & Medium Enterprises-Note C8	23.81	21.35
Acceptances	187.79	1,243.50
Accounts Payable - Raw Materials & Services	3,607.14	5,487.71
Freight, Port Charges, CHA Charges Payable	664.56	471.93
Expenses Payable	299.03	363.54
Employee Related Payables **	1,002.35	729.71
Payable to Related Parties	837.13	665.67
	<u>6,621.81</u>	<u>8,983.41</u>
OTHER CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt ***		
Secured		
(a) Debentures:		
1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	416.67	416.67
1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	-
1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
	<u>1,416.67</u>	<u>1,416.67</u>
(b) Term Loan from Banks:		
External Commercial borrowings (ECB)	1,158.44	1,102.22
Rupee Term Loans	-	166.67
	<u>1,158.44</u>	<u>1,268.89</u>
(c) Term Loan from Others:		
International Finance Corporation - Loan A	225.69	225.69
International Finance Corporation - Loan B	199.57	199.57
Bharat Earthmovers Ltd. (BEML)	-	82.49
	<u>425.26</u>	<u>507.75</u>
(d) Finance Lease - Deferred Payment Liabilities:		
Deferred Payment Credit I - Note C 26	47.84	44.54
Deferred Payment Credit II - Note C 26	8.28	7.97
	<u>56.12</u>	<u>52.51</u>
Unsecured		
(e) Debentures:		
2,000 - 10.10 % Non Convertible Debentures of ₹. 1 Million each	-	2,000.00
1,000 - 9.70 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
	<u>-</u>	<u>3,000.00</u>
	<u>3,056.49</u>	<u>6,245.82</u>
Trade Payables Includes due to Related Parties:		
(Note - C 23)		
Subsidiary Companies	805.46	634.02
Companies in which Directors are interested	31.67	31.65
	<u>837.13</u>	<u>665.67</u>

* Cash Credits, Buyers Credit for Raw Materials and Packing Credit 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 & Machinery and Equipments, both present and future.

** Employee Related Payables includes commission on net profits payable to whole-time directors ₹ 490 Million (₹ 228 Million)

*** For Nature of Security on Current Maturities of Long Term Debts-Note B 3(a)

B 4 CURRENT LIABILITIES (Continued)

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
OTHER CURRENT LIABILITIES (Continued):		
Interest accrued but not due on borrowings	144.94	229.48
Unclaimed Dividends *	35.91	32.45
Payables to Micro, Small & Medium Enterprises - Capex		
Vendors-Note C8	7.21	7.44
Interest payable to Micro, Small & Medium Enterprises-Note C8	10.58	10.58
Other payables: **		
Accounts Payable - Capital	313.31	416.83
Excise Duty on closing stock	288.15	324.26
Statutory remittances (Contribution to PF & ESIC, VAT, CST, Excise Duty, Custom Duty, Service tax and others)	851.14	770.98
Export Obligations - Advance Licence Benefit	7.67	64.05
Payable to Related Parties	47.53	5.68
Security Deposits - Vendors	287.85	330.81
Security Deposits - Dealers / Employees	65.02	51.84
Advances Received from Customers	302.79	353.35
Others	<u>0.08</u>	<u>-</u>
Gratuity Payable	2,163.54	2,317.80
	<u>198.25</u>	<u>48.43</u>
	<u>2,560.43</u>	<u>2,646.18</u>
	<u>5,616.92</u>	<u>8,892.00</u>
SHORT-TERM PROVISIONS:		
Provision for Constructive Liability - Note C 19 (c)	22.88	15.38
Provision for Compensated Absences	227.69	189.86
Provision for Contingencies - Note C 19 (b)	425.00	425.00
Provision for Estimated Loss on Forward		
Foreign Exchange Contracts	150.49	67.85
Proposed Dividend on Equity Shares	1,018.05	378.02
Dividend Tax	207.25	64.24
Provision for Taxation	11,068.30	8,582.12
Less: MAT Credit Adjusted	450.13	58.52
Less: Advance Tax	<u>10,313.41</u>	<u>8,315.45</u>
Provision for Wealth Tax	7.00	7.00
Provision for Sales related obligations - Note C 19 (a)	1,669.38	1,507.70
	<u>4,032.50</u>	<u>2,863.20</u>
** Other Payables Includes due to Related Parties:		
(Note - C 23)		
Subsidiary Companies	4.38	1.20
Companies in which Directors are interested	43.15	4.48
	<u>47.53</u>	<u>5.68</u>

* Includes ₹ 3.60 Million (₹ 2.92 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), Mumbai.

B5 FIXED ASSETS AS AT MARCH 31, 2015

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at March 31, 2014	Additions	Deductions	As at March 31, 2015	Additions	Transferred to Surplus in Statement of Profit and Loss	Deductions	As at March 31, 2015	As at March 31, 2014
A) TANGIBLE ASSETS									
Land:									
Freehold Land	175.14	-	-	175.14	-	-	-	175.14	175.14
Leasehold Land *	172.19	-	-	172.19	12.36	-	-	157.89	159.83
Buildings	7,851.85	132.60	33.35	7,951.10	1,318.42	129.69	8.77	6,029.60	6,533.43
Plant & Machinery **	36,332.40	1,081.50	83.75	37,330.15	12,800.37	107.16	64.21	22,929.17	23,532.03
Electrical Installation	1,419.05	49.62	-	1,468.67	443.97	54.21	-	813.75	975.08
Furniture & Fixtures	1,194.41	41.68	27.50	1,208.59	543.30	97.28	23.89	467.96	651.11
Office Equipments	38.85	3.28	0.06	42.07	15.04	-	0.03	19.96	23.81
Vehicles	469.13	158.34	80.77	546.70	97.95	2.78	35.11	371.80	371.18
Total Tangible Assets	47,653.02	1,467.02	225.43	48,894.61	15,231.41	391.12	132.01	30,965.27	32,421.61
B) INTANGIBLE ASSETS									
Computer Software	330.00	19.92	-	349.92	215.79	-	-	105.15	114.21
TOTAL FIXED ASSETS	47,983.02	1,486.94	225.43	49,244.53	15,447.20	391.12	132.01	31,070.42	32,535.82

FIXED ASSETS AS AT MARCH 31, 2014

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at March 31, 2013	Additions	Deductions	As at March 31, 2014	Additions	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
A) TANGIBLE ASSETS									
Land:									
Freehold Land	175.14	-	-	175.14	-	-	-	175.14	175.14
Leasehold Land *	172.19	-	-	172.19	10.42	-	12.36	159.83	161.77
Buildings	7,411.22	465.90	25.27	7,851.85	1,071.03	0.04	1,318.42	6,533.43	6,340.19
Plant & Machinery **	32,821.23	3,548.36	37.19	36,332.40	2,027.24	25.73	12,800.37	23,532.03	22,022.37
Electrical Installation	1,378.86	40.19	-	1,419.05	373.95	-	443.97	975.08	1,004.91
Furniture & Fixtures	1,137.67	63.16	6.42	1,194.41	488.84	3.74	543.30	651.11	648.83
Office Equipments	35.75	3.35	0.25	38.85	13.31	0.15	15.04	23.81	22.44
Vehicles	372.99	238.37	142.23	469.13	114.74	64.83	97.95	371.18	258.25
Total Tangible Assets	43,505.05	4,359.33	211.36	47,653.02	12,871.15	94.49	15,231.41	32,421.61	30,633.90
B) INTANGIBLE ASSETS									
Computer Software	269.72	60.28	-	330.00	190.08	-	215.79	114.21	79.64
TOTAL FIXED ASSETS	43,774.77	4,419.61	211.36	47,983.02	13,061.23	94.49	15,447.20	32,535.82	30,713.54

* Leasehold Land is Net of ₹ 9.59 Million (₹ 9.59 Million) subleased to Classic Auto Tubes Ltd., a company in which directors are interested during the year 2009-10.

** Plant & Machinery includes Fixed Assets Held for Sale with a Gross Book Value of Nil (Rs. 38.52 Milion) and a Net Book Value of Nil (Nil).

Plant & Machinery includes Jointly Owned Assets with a Gross Book Value of ₹ 254.87 Million (₹ 187.68 Million) and a Net Book Value of ₹ 231.21 Million (₹ 177.77 Million).

Plant & Machinery includes assets taken on Finance Lease with a Gross Book Value of ₹ 400.00 Million (₹ 400.00 Million) and a Net Book Value of ₹ 233.61 Million (₹ 250.40 Million)

(a) Represents proportionate lease premium ₹ 1.94 Million (₹ 1.94 Million) amortized.

(b) Buildings include ₹ 90.26 Million (₹ 151.72 Million), Plant & Machinery includes ₹ 66.43 Million (₹ 14.20 Million), Electrical Installations include ₹ 2.79 Million (₹ 11.52 Million) and Furniture & Fixtures include ₹ 8.03 Million (₹ 8.70 Million) for capital expenditure on Research & Development (Note C 11).

(c) Includes directly attributable expenses capitalized to the extent of ₹ 27.66 Million (₹ 115.81 Million) including Nil (₹ 13.36 Million) capitalized from CWIP of previous year (Note C15).

(d) Includes provision for Impairment amounting to Nil (₹ . 35.31 Million) on certain items of Buildings & Plant & Machinery recognized in the Statement of Profit & Loss during the year.

(e) Buildings include Buildings constructed on Leasehold Land with a Gross Book Value of ₹ 6,782.11 Million (₹ 6,673.53 Million) and Net Book Value of ₹ 5,213.50 Million (₹ 5,632.48 Million)

(f) Plant & Machinery is reduced by ₹ 3.00 Million being ETP Subsidy received from the Government of Tamilnadu.

B 6 NON-CURRENT INVESTMENTS
(AT COST)

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
TRADE INVESTMENTS		
(a) Investment in Equity Instruments (Quoted): *		
16,394 (16,394) Equity Shares of ₹ 10/- each in Bharat Gears Ltd. - Fully Paid Up	0.36	0.36
(b) Investment in Equity Instruments (Unquoted):		
Subsidiary Companies:		
125,906,207 (125,906,207) Equity shares of USD 1 each in Apollo (Mauritius) Holdings Pvt Ltd. - wholly owned subsidiary - Fully Paid Up	6,507.97	6,507.97
Other Companies:		
312,000 (312,000) Equity Shares of ₹ 10 each in Green Infra Wind Power Projects - Fully paid up.	3.12	3.12
5,500 (5,500) Equity Shares of ₹ 10 each in Suryadev Alloys and Power Pvt Ltd. - Fully paid up.	0.59	0.59
(c) Investment in Membership Interest:		
Apollo Tyres (Greenfield) Co-operatief U.A. - wholly owned subsidiary	4.05	-
OTHER NON CURRENT INVESTMENTS (NON TRADE):		
(a) Investment in Mutual Funds: **		
Units of "UTI Balanced Fund - Dividend Plan - Reinvestment" *** (Face Value of ₹ 10/- each)	2.60	2.10
(b) Others:		
Investment in 5,000 (5,000) Equity Shares of ₹ 100/- each in Apollo Tyres Employees' Multipurpose Co-operative Society Limited	0.50	0.50
	<u>6,519.19</u>	<u>6,514.64</u>
* Aggregate amount of quoted Investments	0.36	0.36
Aggregate market value of listed and quoted investments	1.19	0.64
Aggregate amount of unquoted Investments	6,518.83	6,514.28
** No. of units at the beginning of the year - 161,826 (161,826)	2.10	2.10
Add: Reinvestment of dividend during the year - 17,736 (Nil)	0.50	0.00
No. of units at the end of the year - 179,562 (161,826)	<u>2.60</u>	<u>2.10</u>
*** Repurchase price of units	5.23	4.09

B 7 LONG TERM LOANS & ADVANCES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
Long-Term Loans & Advances:		
(Unsecured and Considered Good)		
Capital Advances - Others	628.21	294.63
Capital Advances to Related Parties	79.60	123.89
Doubtful Capital Advances	<u>134.18</u>	<u>134.18</u>
	841.99	552.70
Less: Provision for Doubtful Advances	<u>134.18</u>	<u>134.18</u>
	<u>707.81</u>	<u>418.52</u>
Security Deposits	636.84	381.19
Security Deposits to Related Parties	418.01	418.01
Employee Advances - Salary Loan	15.05	10.09
Other Loans and Advances - Excise Duty Recoverable	2.57	2.57
	<u>1,780.28</u>	<u>1,230.38</u>
Includes Advances given to Related Parties:		
(Note - C 23)		
Companies in which Directors are interested	497.61	541.90
B 8 OTHER NON-CURRENT ASSETS		
Investment promotion Subsidy Receivable from Government of Tamil Nadu	360.18	214.14
	<u>360.18</u>	<u>214.14</u>
B 9 CURRENT INVESTMENTS		
NON TRADE INVESTMENTS		
Investment in Mutual Funds *	1,000.00	-
	<u>1,000.00</u>	<u>-</u>

* Particulars	No. of Units	Value (₹ Million)	NAV
SBI	20,000,000	200.00	10.8282
ICICI	25,000,000	250.00	10.8336
Reliance	5,000,000	50.00	10.8027
Birla (Scheme1)	25,000,000	250.00	10.8358
Birla (Scheme 2)	25,000,000	250.00	10.8294
	100,000,000	1,000.00	

B 10 CURRENT ASSETS

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) INVENTORIES: (valued at lower of cost and net realizable value)		
(i) Raw Materials:		
- In Hand	2,942.90	3,805.86
- In Transit	94.76	146.27
	<u>3,037.66</u>	<u>3,952.13</u>
(ii) Work-in-Progress #	588.67	675.42
(iii) Finished Goods:		
- In Hand	6,078.18	6,307.52
- In Transit	1,129.80	954.73
	<u>7,207.98</u>	<u>7,262.25</u>
(iv) Stock-in-Trade:		
- In Hand	157.10	180.88
- In Transit	29.65	19.25
	<u>186.75</u>	<u>200.13</u>
(v) Stores and Spares	830.80	746.99
	<u>11,851.86</u>	<u>12,836.92</u>
(b) TRADE RECEIVABLES - UNSECURED (Outstanding for a period exceeding six months from the date they were due for payment)		
Considered Good	1.12	1.25
Considered Doubtful	24.40	24.40
Others - Considered Good *	3,198.98	2,404.20
	<u>3,224.50</u>	<u>2,429.85</u>
Less: Provision for Doubtful Trade Receivables	24.40	24.40
	<u>3,200.10</u>	<u>2,405.45</u>
* Trade Receivables Include due from Related Parties: (Note - C 23)		
Subsidiary Companies	993.24	759.78
Companies in which Directors are interested	113.49	158.04
	<u>1,106.73</u>	<u>917.82</u>
(c) CASH AND CASH EQUIVALENTS **		
(i) Cash on hand	1.75	2.97
(ii) Cheques on hand	1,180.64	874.32
(iii) Remittances in Transit	452.55	384.94
(iv) Balances with Banks:		
Current Accounts	366.54	459.55
Other deposit accounts		
- original maturity of 3 months or less	-	400.00
(v) Other Bank Balances:		
Unpaid Dividend Accounts	35.91	32.45
Unclaimed Deposits Accounts	1.07	1.07
Deposits with Maturity exceeding 3 Months ***	39.94	55.80
	<u>2,078.40</u>	<u>2,211.10</u>

** Out of the above balance of Cash & Cash Equivalents, the balance that meets the definition of Cash & Cash Equivalents as per AS-3, Cash Flow Statements is ₹ **2,001.48 Million** (₹ 2,121.78 Million)

*** Includes Deposit of ₹ **37.97 Million** (₹ 53.83 Million) pledged with a bank against which working capital loan has been availed by Apollo Finance Ltd, a company in which directors are interested.

Includes deposits of ₹ **1.97 Million** (₹ 1.97 Million) which have an original maturity of more than 12 months.

Work in Progress consists of Automotive Tyres only.

B 11 SHORT TERM LOANS & ADVANCES

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
Short-Term Loans & Advances: (Unsecured and Considered Good)		
Advances given to Related Parties	135.77	133.23
Others:		
Trade Advances	709.17	977.57
Employee Advances	129.42	105.47
CENVAT Recoverable	102.93	163.98
VAT Recoverable	349.18	315.15
Service Tax Recoverable	91.05	75.51
Export Incentives Recoverable	85.87	40.98
Prepaid Expenses	77.80	137.13
Others	-	46.65
	<u>1,681.19</u>	<u>1,995.67</u>
Considered Doubtful	20.56	20.56
	<u>1,701.75</u>	<u>2,016.23</u>
Less: Provision for Doubtful Advances	20.56	20.56
	<u>1,681.19</u>	<u>1,995.67</u>
MAT Credit Entitlement availed	450.13	508.65
Less: MAT Credit utilised	(450.13)	(58.52)
	<u>1,681.19</u>	<u>2,445.80</u>
Advances given to Related Parties: (Note - C 23)		
Subsidiary Companies	90.09	52.60
Companies in which Directors are interested	45.68	80.63
	<u>135.77</u>	<u>133.23</u>

B 12 OTHER CURRENT ASSETS

Investment promotion Subsidy Receivable from Government of Tamil Nadu	375.00	375.00
Interest accrued on Deposits	0.96	1.05
	<u>375.96</u>	<u>376.05</u>

B 13 OTHER OPERATING INCOME

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
OTHER OPERATING INCOME		
Investment promotion Subsidy from Government of Tamil Nadu - Note C 4	521.04	939.14
Tyres Development Fees received from Customers	-	42.16
Early Payment Discount Received from Raw Material Suppliers	74.45	35.22
	<u>595.49</u>	<u>1,016.52</u>
B 14 OTHER INCOME		
(a) Interest earned on Deposits		
- Bank	43.34	149.84
- Others	13.85	32.76
	<u>57.19</u>	<u>182.60</u>
(b) Dividend Income from Long Term Investments:		
Bharat Gears Ltd.	0.02	0.03
Unit Trust of India	0.50	-
	<u>0.52</u>	<u>0.03</u>
(c) Dividend Income from Short Term Investments:		
Mutual Funds	25.78	92.54
(d) Other Non-Operating Income:		
Unclaimed Credit Balances / Provisions no longer required written back	20.00	26.37
Royalty Income	73.83	57.28
Gain on Foreign Exchange Fluctuation (Net)	86.65	113.40
Miscellaneous Receipts	111.49	320.04
	<u>291.97</u>	<u>517.09</u>
	<u>375.46</u>	<u>792.26</u>

B 15 MANUFACTURING AND OTHER EXPENSES

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
Cost of Materials Consumed:		
Raw Materials Consumed - Note C 13(B)	54,302.28	57,466.24
Less: Scrap Recoveries	295.14	223.18
	<u>54,007.14</u>	<u>57,243.06</u>
Purchase of Stock-in-Trade:		
Purchase of Finished Goods - Tyres, Tubes & Flaps	2,492.19	2,502.76
Employee Benefits Expense:		
Salaries and Wages	4,200.67	3,460.17
Contribution to Provident and Other Funds - Note 4 & C16	472.96	298.10
Welfare expenses	774.11	695.72
Employees Stock Appreciation Rights - Note C17	3.58	78.55
	<u>5,451.32</u>	<u>4,532.54</u>
Other Expenses:		
Consumption of stores and spare parts - Note 1	605.88	538.92
Power and Fuel - Note 2	2,797.04	2,760.35
Conversion Charges	1,053.25	1,095.18
Repairs and Maintenance		
- Machinery	118.63	126.51
- Buildings	25.05	18.66
- Others	674.39	595.23
Rent - Note 3	299.89	268.02
Lease Rent - Factory	400.00	400.00
Insurance	79.33	83.60
Rates and Taxes	160.49	175.24
Directors' Sitting Fees	6.30	1.38
Commission to Non-Wholetime Directors	50.00	30.00
Loss on Sale of Tangible Fixed Assets (Net)	26.24	23.93
Travelling, Conveyance and Vehicle Expenses	956.68	934.37
Postage, Telex, Telephone and Stationery	119.11	119.88
Conference Expenses	294.90	119.82
Royalty Paid	8.86	7.83
Freight and Forwarding	2,615.31	2,070.38
Commission on Sales	90.00	38.79
Sales Promotion Expenses	870.39	494.89
Advertisement and Publicity	564.48	765.66
Corporate Social Responsibility Expenses - Note 5 & C20	57.37	37.38
Research and Development - Note C11	875.25	757.50
Bank Charges	36.62	57.90
Statutory Auditors Remuneration - Note C12	12.45	11.40
Doubtful Receivables / Advances Written off	-	17.13
Less: Transferred from Provision	-	(17.13)
Legal and Professional Expenses	416.70	344.38
Provision for Contingencies - Note C19 (b)	-	425.00
Miscellaneous Expenses	860.98	706.21
	<u>14,075.59</u>	<u>13,008.41</u>
	<u>76,026.24</u>	<u>77,286.77</u>

Notes:

- 1) Stores & Spares Consumed includes stores issued for repairs ₹ **2.63 Million** (₹ 1.55 Million).
2) Power and Fuel includes Stores Consumed ₹ **523.11 Million** (₹ 668.08 Million).
3) Net of Rent Received ₹ **1.45 Million** (₹ 1.47 Million).
4) Net of Cross-Charge ₹ **1.08 Million** (₹ 0.15 Million)
5) Corporate Social Responsibility Expenses includes ₹ **0.55 Million** available as on March 31, 2015 with the implementation partner to be deployed in due course.

B 16 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
OPENING STOCK		
Work in Progress	675.42	579.48
Finished Goods	7,262.25	6,037.20
Stock-in-Trade	200.13	238.61
	<u>8,137.80</u>	<u>6,855.29</u>
Less:		
CLOSING STOCK		
Work in Progress	588.67	675.42
Finished Goods	7,207.98	7,262.25
Stock-in-Trade	186.75	200.13
	<u>7,983.40</u>	<u>8,137.80</u>
Decrease / (Increase)	154.40	(1,282.51)
Excise Duty on Increase / (Decrease) of Finished Goods (Note C9)	42.89	123.84
	<u><u>197.29</u></u>	<u><u>(1,158.67)</u></u>

B 17 FINANCE COSTS

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
(a) Interest Expense:		
Interest on Fixed-term Loans	473.02	717.10
Interest on Debenture	536.79	736.72
Interest on Other Loans	694.05	956.23
(b) Other Borrowing Cost	17.02	36.05
	<u><u>1,720.88</u></u>	<u><u>2,446.10</u></u>

C. OTHER NOTES ON ACCOUNTS:

1. Contingent Liabilities

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Sales Tax	76.17	111.92
Income Tax#	451.30	180.46
Claims against the Company not acknowledged as debts – Employee Related	48.64	51.02
– Others	43.00	28.54
Provision of Security (Bank Deposits pledged with a Bank against which working capital loan has been availed by Apollo Finance Ltd, a Company in which Directors are interested)	37.97	53.83
Excise Duty*	57.93	363.55

* Excludes demand of ₹ **532.12 Million** (₹ 532.12 Million) raised on one of the Company's units relating to issues which have been decided by the Appellate Authority in Company's favour in appeals pertaining to another unit of the Company. Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

Excludes amount of ₹ **441.66 Million** (₹ 441.66 Million) in appeals which have been decided by Appellate authorities in Company's favour but on which the department has gone for further appeal.

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.

2. Commitments

PARTICULARS	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
Estimated amount of contracts remaining to be executed on capital account and not provided for	800.14	1,743.19
Other Commitments: Non-disposal of investments in indirect subsidiary, Apollo Tyres (Middle East) FZE, through Apollo (Mauritius) Holdings Pvt. Ltd. Value of investment is ₹ 34.14 Million (₹ 32.61 Million) The Company has further financial support commitments provided to certain Subsidiaries		
TOTAL	800.14	1,743.19

3. The Company has international transactions with related parties. For the current year, the management confirms that it maintains documents as prescribed by the Income tax Act, 1961 to prove 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.

4. Investment Promotion Subsidy From Government Of Tamilnadu

The Company has established radial tyre manufacturing facility in SIPCOT Industrial Park, Oragadam near Chennai and availed incentives from the State Government of Tamil Nadu for establishing such project. The construction of first phase of the new green field radial tyre plant was completed as per project schedule, which commenced operations from March 11, 2010. The Truck/ Bus radial segment has commenced operations from May 11, 2010.

Pursuant to the Memorandum of Understanding (MoU) dated August 7, 2006 read along with a Supplementary MoU dated January 11, 2011 executed between the Government of Tamil Nadu (GoTN) and the Company, GoTN sanctioned a Structured Package of Assistance to the Company in terms of the New Industrial Policy, 2007. As per this Structured Package of Assistance, the Company is entitled, interalia, for refund of an amount equal to Net Output VAT + CST paid by the Company to GoTN in the form of Investment Promotion Subsidy for a period of 14 years (which can be extended by another 4 years), from the date of commencement of commercial production or till the cumulative availment of the

said subsidy reaches 50% of the investment made in eligible fixed assets during the approved investment period as defined by the MoU, whichever is earlier. This eligibility is subject to fulfillment of certain obligations by the Company.

As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of ₹ **521.04 Million** (₹ 939.14 Million) as other operating income (Note B13), being the eligible amount of refund of Net Output VAT + CST paid by the Company to GoTN. Subsidy recorded during the previous year represents subsidy from the date of commencement of commercial production till March 31, 2014. Based on the legal opinion obtained by the Company, the said subsidy is considered non-taxable.

5. Capital Subsidy

As per New Industrial Policy 2007, new and expansion units investing ₹ 2000 Million and above and employing more than 400 direct workers will be eligible for a back ended capital subsidy of ₹ 15 Million. Further manufacturing units located within a SIPCOT Industrial park will be eligible for an additional 50% capital subsidy over and above the eligible limit. During the year, the Company received the capital subsidy of ₹ 22.5 Million on fulfilling the eligibility conditions which has been credited to capital subsidy disclosed under Reserves & Surplus.

6. Exceptional Items

Exceptional item during the previous year represents expenses incurred in connection with the proposed acquisition of Cooper Tire & Rubber Company (Cooper) which was terminated by Cooper on December 30, 2013.

7. Issue Of Shares On Conversion Of Share Warrants

The company had allotted 5,000,000 warrants, convertible into 5,000,000 equity shares of ₹ 1 each to a promoter Group Company on December 21, 2012, on a preferential allotment basis pursuant to Section 81 (1A) of the Companies Act, 1956, at a conversion price of ₹ 86.20 per share determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. An amount equivalent to 25% of the price aggregating to ₹ 107.75 Million was received on allotment of the warrants previous year. On receipt of the balance amount of ₹ 323.25 Million on June 19, 2014, the company has allotted 5,000,000 equity shares of ₹ 1 each at a premium of ₹ 85.20 per share.

8. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	31.02	28.79
(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.

9. Excise duty relating to sales has been disclosed as a reduction from turnover. Excise duty related to difference between the closing stock and opening stock has been disclosed in Note B 16 "Changes in Inventories of Finished Goods, Work in Progress & Stock-in-Trade".
10. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the company revised the estimated useful life of its assets to align the useful life with those specified in schedule II.

Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the assets is determined to be nil as on April 1, 2014 and has adjusted an amount of ₹ 258.18 Million (net of deferred tax of ₹ 132.94 Million) against the opening surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the statement of profit and loss for the year is lower by ₹ 64.95 Million consequent to the change in the useful life of the assets.

11. Research and development Expenditures:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
(A) Revenue Expenditure		
Materials	84.86	98.57
Employee Benefit Expenses	135.08	126.27
Travelling Expenses	20.11	13.10
Others	635.20	519.56
SUB - TOTAL	875.25	757.50
(B) Capital Expenditure	167.51	186.14
TOTAL(A+B)	1,042.76	943.64

12. Statutory Auditors' Remuneration:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
For Audit	6.00	5.00
For Company Law matters	0.40	0.30
For Quarterly Review & Consolidation	2.60	2.20
For Other Services	3.45	3.90
TOTAL	12.45	11.40

13. (A) Turnover and stock of Finished goods & Stock-in-Trade

PARTICULARS	Unit	Opening Stock		Turnover		Closing Stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Automobile Tyres, Tubes and Flaps	₹ Million	7,356.09	6,190.45	98,158.55	95,328.62	7,252.83	7,356.09
Others	₹ Million	106.29	85.36	614.17	564.21	141.90	106.29
TOTAL	₹ Million	7,462.38	6,275.81	98,772.72	95,892.83	7,394.73	7,462.38

(B) Raw Materials Consumed

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Fabric	6,743.31	7,121.15
Rubber	27,926.29	32,602.49
Chemicals	5,052.65	4,348.99
Carbon Black	8,037.87	7,819.13
Others	6,542.16	5,574.48
TOTAL	54,302.28	57,466.24

(C) Break-up of Consumption

PARTICULARS	2014-15		2013-14	
	%	₹ Million	%	₹ Million
Raw Materials - Imported - Indigenous	45.74%	24,838.26	44.08%	25,332.72
	54.26%	29,464.02	55.92%	32,133.52
	100.00%	54,302.28	100.00%	57,466.24
Stores & Spares - Imported - Indigenous	9.67%	58.58	7.34%	39.58
	90.33%	547.30	92.66%	499.34
	100.00%	605.88	100.00%	538.92

(D) C.I.F. Value of Imports

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Raw Materials	24,098.07	25,492.15
Stores & Spares	64.50	65.11
Capital Goods	447.93	503.69

(E) Expenditure in Foreign Currency (Remitted) :

(Excluding value of imports)

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Interest	577.07	743.82
Dividend for the year 2013-14 (2012-13)*	1.48	0.99
Royalty	6.76	10.44
Others (including cross-charge of R & D expenses and management expenses paid to Foreign Subsidiary Companies).	1,320.91	1,197.97

* Number of non-resident Shareholders – **2** (2), Number of Shares held by Non resident Shareholders - **1,978,000** (1,978,000).

14. Earnings in Foreign Exchange (Gross)

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
FOB Value of Exports	9,222.31	8,142.28
Royalty Received	73.83	57.28
Cross Charge of Management Expenses	54.74	28.10
Reimbursement of Expenses Received	209.27	30.10

15. Directly attributable expenses capitalized / included in capital work in progress during the year:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Raw Materials Consumed	10.76	15.39
Salaries, Wages and Bonus	3.35	63.86
Contribution to Provident and Other Funds	-	4.22
Welfare Expenses	4.94	4.51
Rent	1.45	0.78
Travelling, Conveyance and Vehicle expenses	4.04	4.56
Postage, Telex, Telephone and Stationery	0.20	0.26
Power and Fuel	1.64	3.40
Legal & Professional Expenses	0.55	0.33
Miscellaneous Expenses	0.72	5.14
Total	27.65	102.45

16. Employee Benefit Plans

Defined Contribution Plans:

a. Superannuation Plan: The Company contributes a sum equivalent to 15% of the eligible employees salary to a superannuation fund administered and maintained by 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 ₹ **59.83 Million** (₹ 57.15 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 contribution 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 recognizes such obligation as an expense.

The amount of contribution made by the Company to Employees Provident Fund Trust / Regional Provident Fund is ₹ **215.96 Million** (₹ 192.37 Million).

Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

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:

Net employee benefit expenses

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Current service cost	56.39	44.92
Interest Cost on Benefit Obligation	61.01	48.46
Expected return on plan assets	(57.95)	(54.39)
Curtailment Cost	-	-
Settlement Cost	-	-
Net Actuarial (Gain) / Loss recognized in the year	138.80	9.44
Expense recognized in the Statement of Profit & Loss	198.25	48.43

Actual Contribution and Benefit payments for the year

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Actual Contributions	48.72	45.18
Actual Benefit Payments	(82.66)	(65.81)

Balance Sheet:

Net Asset / (Liability) recognised in the Balance Sheet including experience adjustment impact

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million	2012-13 ₹ Million	2011-12 ₹ Million	2010-11 ₹ Million
Present value of defined benefit obligation at the end of the year	852.80	681.75	646.17	603.76	519.73
Fair value of plan assets at the end of the year	654.55	633.32	600.99	527.65	437.82
Asset/(Liability) recognized in the balance sheet	(198.25)	(48.43)	(45.18)	(76.11)	(81.91)
Experience Adjustment of obligation					
- Loss	75.99	30.02	9.36	42.04	51.03
Experience Adjustment of plan assets					
- Gain / (Loss)	(1.85)	(1.43)	0.31	1.75	2.36

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Present value of obligations as at the beginning of the year	681.75	646.17
Interest cost	61.02	48.46
Current service cost	56.39	44.92
Benefits paid	(82.67)	(65.81)
Actuarial loss on obligation	136.31	8.01
Present value of obligations as at the end of the year	852.80	681.75

Changes in the fair value of plan assets are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Fair value of plan assets as at the beginning of the year	633.32	600.99
Expected return on plan assets	57.95	54.39
Contributions	48.44	45.18
Benefits paid	(82.67)	(65.81)
Actuarial gain on plan assets	(2.49)	(1.43)
Fair value of plan assets as at the end of the year	654.55	633.32

The Company's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets in not presently ascertained.

Principal actuarial assumptions for Gratuity:

PARTICULARS	2014-15 Rate (%)	2013-14 Rate (%)
a) Discount rate	8.00	8.95
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	9.15	9.05

* 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 ₹ **98.72 Million** (₹ 68.07 Million).

Demographic Assumptions for Gratuity:

PARTICULARS	2014-15	2013-14
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-08)	IALM (2006-08)
c) Ages	Withdrawal Rate (%)	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

Other Long Term Employee Benefits:

Long Term Compensated Absences

Actuarial Assumption for Long term compensated absences:

PARTICULARS	2014-15	2013-14
a) Discount rate	8.00	8.95
b) Future salary increase*	6.00	6.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions for Long term compensated absences:

PARTICULARS	2014-15	2013-14
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-08)	IALM (2006-08)
c) Ages	Withdrawal Rate (%)	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

17. Employees Stock Appreciation Rights (Employees Phantom Stock Plan 2010)

a) During the year 2010-11, the company had announced Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) for the eligible employees of the company. Under the scheme, 1,200,000 phantom stock units have been granted on April 1, 2010, 900,000 Phantom stock units have been granted on April 1, 2011 and 75,000 Units have been granted on April 1, 2012 by the board appointed committee. All three options will be vested as per the following schedule:

Percentage of Grant	Vesting Schedule
25%	On 1st anniversary of respective grant date
25%	On 2nd anniversary of respective grant date
25%	On 3rd anniversary of respective grant date
25%	On 4th anniversary of respective grant date

Pursuant to the above scheme, the eligible employees are entitled to get cash compensation upon exercise of the phantom stock unit within seven years of the vesting date

b) Details of the expense recognized during the year and outstanding phantom stock units of the company under the Phantom Stock Plan 2010 are as under:

PARTICULARS	As at March 31,2015			As at March 31, 2014		
Date of Grant	01.04.2010	01.04.2011	01.04.2012	01.04.2010	01.04.2011	01.04.2012
Phantom Stock Units Outstanding	-	2,91,250	75,000	3,00,000	5,52,500	75,000
Phantom Stock Units exercised	12,00,000	6,08,750	-	9,00,000	3,47,500	-
Exercise Price of Share (₹)	-	50.00	50.00	50.00	50.00	50.00
Market Price of Share (₹)	-	168.25	168.25	159.30	159.30	159.30
Fair Value of Share (₹)	-	126.77	125.76	116.95	117.25	118.19
Amount charged to Statement of Profit & Loss (Included in Note - B 15 - Employee Benefits Expense)	-	₹ 3.09 Million	₹ 0.49 Million	₹ 27.24 Million	₹ 46.12 Million	₹ 5.19 Million
Liability as on 31.03.2015 (Included in Note - B 4 (Trade Payables))	-	₹ 37.74 Million	₹ 8.31 Million	₹ 32.79 Million	₹ 54.24 Million	₹ 6.50 Million

Phantom Stock outstanding units summary sheet is as follows -

PARTICULARS	2014-15	2013-14	2012-13
Opening Phantom Stock Units	927,500	1,486,250	2,030,000
Number of Units issued during the year	-	-	75,000
Number of Units Vested during the year	561,250	558,750	618,750
Closing Phantom Stock units	366,250	927,500	1,486,250

The details of Variables used for Fair Valuation under the Black-Scholes Model are given in the table below:

Grant date	April 1, 2010			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2011	April 1, 2012	April 1, 2013	April 1, 2014
Variables				
Stock Price (₹)	The options from Vest 1, Vest 2, Vest 3 and Vest 4 have been completely exercised and therefore don't have to be valued			
Volatility				
Riskfree Rate				
Exercise Price (₹)				
Time To Maturity (In Years)				
Dividend yield				
Fair Value per vest (₹)				
Vesting Percentage				
Option Fair Value (₹)				

Grant date	April 1, 2011			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2012	April 1, 2013	April 1, 2014	April 1, 2015
Variables				
Stock Price (₹)	The options from Vest 1 and Vest 2 have been completely exercised and therefore don't have to be valued		168.25	168.25
Volatility			42.67%	42.67%
Riskfree Rate			7.82%	7.80%
Exercise Price (₹)			50.00	50.00
Time To Maturity (In Years)			3.00	3.51
Dividend yield			0.86%	0.86%
Fair Value per vest (₹)			127.40	126.14
Vesting Percentage			50%	50%
Option Fair Value (₹)			126.77	

Grant date	April 1, 2012			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Variables				
Stock Price (₹)	168.25	168.25	168.25	168.25
Volatility	43.58%	42.52%	42.67%	43.19%
Riskfree Rate	7.83%	7.82%	7.81%	7.80%
Exercise Price (₹)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	2.50	3.00	3.51	4.51
Dividend yield	0.86%	0.86%	0.86%	0.86%
Fair Value per vest (₹)	124.02	125.02	126.04	127.96
Vesting Percentage	25%	25%	25%	25%
Option Fair Value (₹)	125.76			

Phantom Stock Scheme - Proforma Statement of Profit & Loss and EPS

Had compensation cost for the Phantom Stock units granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

PARTICULARS	2014-15	2013-14
Impact on Net Profit (` Million)		
Net Profit (As reported)	6,450.81	4,426.19
Add:- Cash based employee compensation expense included in net profit	3.58	78.55
Less:- Cash based compensation expense determined under fair value based method (Proforma)	49.02	70.81
Net Profit (Proforma)	6,405.37	4,433.93
I mpact on Earnings per Share (₹)		
Basic		
Basic Earnings per Share of ₹ 1 Each (As reported)	12.70	8.78
Basic Earnings per Share of ₹ 1 Each (Proforma)	12.61	8.80
Diluted		
Diluted Earnings per Share of ₹ 1 Each (As reported)	12.69	8.77
Diluted Earnings per Share of ₹ 1 Each (Proforma)	12.60	8.79

18(a) The components of Deferred Tax Liability (Net) are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Deferred Tax Liability on timing differences arising on:		
Depreciation	4,453.68	4,029.70
Sub Total (A)	4,453.68	4,029.70
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	2.60	3.75
Provision for Gratuity and Leave Encashment	113.87	92.74
Provision for Doubtful Debts / Advances	15.56	15.29
Others	199.23	8.47
Sub Total (B)	331.26	120.25
Net Deferred Tax Liability (A-B)	4,122.42	3,909.45

PARTICULARS	Amount ₹ Million
Deferred Tax Liabilities as at March 31, 2014	3,909.45
Less: Reversal of Deferred Tax Liability relating to transition adjustment of depreciation recorded against surplus balance in Statement of Profit and Loss	132.94
Add: Deferred Tax Liabilities for the year 2014-15	345.91
Deferred Tax Liabilities as at March 31, 2015	4,122.42

18(b) The provision for tax for the year has been determined based on the provisions other than 115JB of the Income Tax Act, 1961. For determining the said provision, the Company has considered deduction under section 35 (2AB) in respect of the expenditure incurred for its R&D activities in the R&D Centre at Chennai. Although the Company's application for the approval of this center is pending before DSIR, the Company is confident of obtaining the approval before filing the return of income for the financial year 2014-15.

19(a) Provision for sales related obligations represents estimates for payments to be made in future. Major portion of these costs is estimated to be paid in the next financial year or will be paid within a maximum of 3 years from the balance sheet date

Opening Balance as at April 1, 2014	Additional provision made during the year	Incurred against provi- sion during the year	Closing Balance as at March 31, 2015
1,507.70	1,745.54	1,583.86	1,669.38

19(b). The Company carries a general provision for contingencies towards various claims against the company not acknowledged as debts

Opening Balance as at April 1, 2014	Additional provision made during the year	Incurred against provi- sion during the year	Closing Balance as at March 31, 2015
425.00	-	-	425.00

19(c) Provision for constructive liability arising on account of lease contracts up to 7 years are as follows

₹ Million

Opening Balance as at April 1, 2014	Additional provision made during the year	Incurred against provi- sion during the year	Closing Balance as at March 31, 2015
82.99	36.36	18.04	101.31

20. Expenditure towards Corporate Social Responsibility (CSR) Activities - ₹ Million

Nature of Activities	Implementing Agency/ Partner	Amount
Promoting preventive health	Apollo Tyres Foundation	30.96
Ensuring environmental sustainability	Apollo Tyres Foundation	7.74
Livelihood enhancement projects	Apollo Tyres Foundation	3.31
Rural development projects	Apollo Tyres Foundation	3.85
Promoting education	Apollo Tyres Foundation	1.88
Promoting preventive health	Zeus Charitable Foundation	3.00
Promoting education	Zeus Charitable Foundation	3.21
Eradication of hunger, poverty & malnutrition	Zeus Charitable Foundation	0.07
Contribution to Corpus of a Trust created exclusively for undertaking CSR activities		0.10
		54.12
Add: Administrative Cost @5%		2.70
	Total	56.82
Amount required to be spent u/s 135 of the Companies Act, 2013		84.74
	Shortfall	27.92

21 a) Following are the forward exchange contracts [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables. The following forward exchange contracts entered into by the Company are outstanding as on March 31, 2015: Million

Currency	Amount	Buy/Sell	Cross Currency
US Dollar	74.00	Buy	Rupees
EURO	6.00	Sell	Rupees
2013-14			
US Dollar	31.74	Buy	Rupees
EURO	0.12	Buy	Rupees

The mark to market losses of ₹ 150.49 Million (Nil) relating to undesignated / ineffective forward contracts / derivatives has been recognized in the Statement of Profit and Loss Account.

b) No. of Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate are 17 (18).

c) The year-end foreign currency exposures that have not been hedged by a derivative instrument or other wise are given below: Million

Currency	As at March 31, 2015		As at March 31, 2014	
	Receivable/	Receivable/	Receivable/	Receivable/
	(Payable)	(Payable)	(Payable)	(Payable)
	INR	FC	INR	FC
UAE Dirham	(57.01)	(3.31)	0.32	0.02
Swiss Franc	(2.03)	(0.03)	(0.27)	(0.00)
EURO	261.02	3.67	41.30	0.53
British Pound	(125.26)	(1.33)	(52.60)	(0.48)
Indonesian Rupiah	(0.04)	(7.25)	0.01	1.75
Japanese Yen	0.05	0.09	(0.01)	(0.03)
Malaysian Ringgit	0.17	0.01	0.17	0.01
Philippine Peso	0.23	0.21	0.23	0.21
Singapore Dollar	0.23	0.01	0.23	0.01
Thai Baht	(0.20)	(0.11)	(0.17)	(0.09)
US Dollar	800.59	12.66	297.94	4.94
South African Rand	8.25	1.55	12.80	2.18

22. The Company's operations comprise of only one business segment – Automobile Tyres, Automobile Tubes & Automobile Flaps in the context of reporting business/geographical segment as required under mandatory accounting standards AS -17 “Segment Reporting “

The geographical segments considered for disclosure are - India and Rest of the world. All the manufacturing facilities are located in India:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
1. Revenue by Geographical Market		
India	80,531.32	79,770.15
Rest of the world	9,222.31	8,139.43
Total	89,753.63	87,909.58
2. Carrying Amount of Segment Assets		
India	59,760.32	60,147.10
Rest of the world- export Debtors	1,453.74	972.91
Total	61,214.06	61,120.01
3. Capital Expenditure incurred during the year		
India	2,723.00	2,012.16
Rest of the world	-	-
Total	2,723.00	2,012.16

23. Disclosure of Related Party Transactions in accordance with the mandatory accounting standards AS- 18 “Related Party Disclosures”

Name of the Related Parties

PARTICULARS	2014-15	2013-14
Subsidiaries	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL), Mauritius	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL), Mauritius
	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL) (Subsidiary through AMHPL), South Africa	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL) (Subsidiary through AMHPL), South Africa
	N.A.	Apollo Tyres South Africa (Pty) Ltd (ATSA) (Subsidiary through ASHPL), South Africa
	Apollo Tyres Africa (Pty) Ltd (Subsidiary through ASHPL) -Note (c)	Apollo Durban (Pty) Ltd (ADPL) (Subsidiary Through ASHPL), South Africa
	UK ATL Holdings Ltd. (Subsidiary through ASHPL), United Kingdom - Note (d)	UK ATL Holdings Ltd (Subsidiary through ASHPL), United Kingdom
	Apollo Tyres Zimbabwe (Pvt) Ltd. (DZL) (Subsidiary through UK ATL Holdings Ltd.), Zimbabwe (Note-(d) & (f))	Apollo Tyres (Zimbabwe) (Pvt) Ltd (DZL) (Subsidiary through UK ATL Holdings Ltd.), Zimbabwe
	Apollo Acquisition Corp. (Note - (e))	Apollo Acquisition Corp.-Note(a)
	Radun Investments (Pvt.) Ltd, Zimbabwe (Subsidiary through UK ATL Holdings Ltd.)- Note(d)	Radun Investments (Pvt) Ltd, Zimbabwe (Subsidiary through UK ATL Holdings Ltd.),
	AFS Mining (Pvt.) Ltd., Zimbabwe (Subsidiary through Apollo Tyres Zimbabwe Pvt. Ltd.) (Note-(d) & (f))	AFS Mining (Pvt) Ltd, Zimbabwe (Subsidiary through Apollo Tyres Zimbabwe Pvt Ltd),
	Apollo Tyres (Cyprus) Pvt. Ltd (ATCPL), Cyprus (Subsidiary through AMHPL)	Apollo Tyres (Cyprus) Pvt Ltd (ATCPL), Cyprus (Subsidiary through AMHPL)
	Apollo Tyres AG, Switzerland (ATAG) (Subsidiary through Apollo Coop)	Apollo Tyres AG, Switzerland (ATAG) (Subsidiary through ATCPL), ATCPL
	Apollo Tyres Holdings (Singapore) Pte. Ltd, (ATHS), Singapore (Subsidiary through Apollo Coop)	Apollo Tyres Holdings (Singapore) Pte Ltd, (ATHS), Singapore (Subsidiary through AMHPL)

Subsidiaries	Apollo Tyres (LAO) Co. Ltd, Lao, PDR (Subsidiary through ATHS) - Note (e)	Apollo Tyres (LAO) Co. Ltd, Lao, PDR (Subsidiary through ATHS)
	Apollo Tyres (Middle East) Fze (ATFZE), Dubai (Subsidiary through Apollo Coop) - Note (b)	Apollo Tyres (Middle East) Fze (ATFZE), Dubai (Subsidiary through AMHPL)
	Apollo Tyres Co -operatief U.A. (Apollo Coop), Netherlands (Subsidiary through AMHPL)	Apollo Tyres Co -operatief U.A. (Apollo Coop), Netherlands (Subsidiary through AMHPL)
	Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through Apollo Coop)	Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through Apollo Coop)
	Apollo Tyres (UK) Pvt. Ltd (ATUK), United Kingdom (Subsidiary through Apollo Coop)	Apollo Tyres (UK) Pvt Ltd (ATUK), United Kingdom (Subsidiary through ATBV)
	Apollo Tyres (Brasil) LTDA, Brazil (Subsidiary through Apollo Coop)	Apollo Tyres (Brasil) LTDA, Brazil (Subsidiary through ATBV)
	Apollo Tyres Global R&D B.V., Netherlands (Subsidiary through Apollo Coop)	Apollo Tyres Global R&D B.V., Netherlands (Subsidiary through Apollo Coop)
	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through Apollo Coop)	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through Apollo Coop)
	Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV)	Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV)
	Apollo Tyres (Greenfield) Co. Operatief U.A., Netherlands - Note (a)	N.A.
	Apollo Tyres Propvest (UK) Pvt Ltd, United Kingdom (Subsidiary through ATUK) -Note (a)	N.A.
	Apollo Tyres (Hungary) Kft, Hungary (Subsidiary through ATBV) -Note(a)	N.A.
	Subsidiaries of Apollo Vredestein B.V (AVBV):	Subsidiaries of Apollo Vredestein B.V (AVBV):
	Apollo Vredestein GmbH, Germany	Apollo Vredestein GmbH, Germany (Earlier known as Vredestein GmbH, Germany)
	Vredestein Norge A.S., Norway	Vredestein Norge A.S., Norway
	Apollo Vredestein U.K. Limited, United Kingdom	Apollo Vredestein U.K. Limited (Earlier known as Vredestein U.K. Ltd.), United Kingdom
	Apollo Vredestein Belux, Belgium	Apollo Vredestein Belux (Earlier known as N.V. Vredestein SA), Belgium
	Apollo Vredestein Gesellschaft m.b.H., Austria	Apollo Vredestein GesmbH (Earlier known as Vredestein GesmbH), Austria
	Apollo Vredestein Schweiz A.G., Switzerland	Apollo Vredestein Schweiz A.G., Switzerland
	Vredestein Nordic A.B., Sweden	Vredestein Nordic A.B. (Earlier known as Vredestein Deck A.B.), Sweden
	S.C. Vredesetin R.O. Srl, Romania	Vredesetin R.O. Srl, Romania
	Apollo Vredestein Iberica SA, Spain	Apollo Vredestein Iberica SA (Earlier known as Vredestein Iberica S.A), Spain
	Apollo Vredestein Tires Inc., USA	Apollo Vredestein Tires Inc. (Earlier known as Vredestein Tyres North America Inc., USA)
	Apollo Vredestein Kft, Hungary	Apollo Vredestein Kft (Earlier known as Vredestein Kft), Hungary
	Apollo Vredestein Srl, Italy	Apollo Vredestein Srl (Earlier known as Vredestein Italia Srl, Italy)

Subsidiaries	Apollo Vredestein Opony Polska Sp. Zo.o., Poland	Apollo Vredestein Opony Polska Sp. Zo.o. (Earlier known as Vredestein Polska Sp. Zo.o, Poland)
	Apollo Vredestein SAS; France	Apollo Vredestein SAS; France (Earlier Known as Verdestein France S.A., France)
	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
	Vredestein Marketing B.V. & Co. KG, Germany	Vredestein Marketing Agentur (Earlier known as Vredestein Marketing Agentur B.V. & co. KG), Germany
Associates	National Tyre Services Ltd, Zimbabwe (Note-(d) & (f))	National Tyre Services Ltd, Zimbabwe
	Pressurite (Pty) Ltd, South Africa	Pressurite (Pty) Ltd, South Africa
Joint Ventures	PanAridus LLC, USA	PanAridus LLC, USA
Companies in which Directors are interested	Apollo International Ltd (AIL)	Apollo International Ltd (AIL)
	Apollo International Trading LLC, Middle East	Apollo International Trading LLC, Middle East
	Encorp E Services Ltd	Encorp E Services Ltd
	UFO Moviez India Ltd	UFO Moviez India Ltd
	Landmark Farms & Housing (P) Ltd	Landmark Farms & Housing (P) Ltd
	Sunlife Tradelinks (P) Ltd	Sunlife Tradelinks (P) Ltd
	Travel Tracks Ltd	Travel Tracks Ltd
	Bespoke Tours & Travels Ltd	Bespoke Tours & Travels Ltd
	Dusk Valley Technologies Ltd	Dusk Valley Technologies Ltd
	Classic Auto Tubes Ltd	Classic Auto Tubes Ltd
	PTL Enterprises Ltd (PTL)	PTL Enterprises Ltd (PTL)
	Apollo Finance Ltd	Apollo Finance Ltd
	Artemis Medicare Services Ltd	Artemis Medicare Services Ltd
	Artemis Health Sciences Ltd	Artemis Health Sciences Ltd
	Amarchand & Mangaldas & Suresh A Shroff & Co.	Amarchand & Mangaldas & Suresh A Shroff & Co.
	J Sagar & Associates	J Sagar & Associates
	Regent Properties	Regent Properties
	Swaranganga Consultants Pvt. Ltd	Swaranganga Consultants Pvt. Ltd
	J & S Systems Corporation, U.K.	J & S Systems Corporation, U.K.
	Sacred Heart Investment Co. Pvt. Ltd	Sacred Heart Investment Co. Pvt. Ltd
Key Management Personnel	Milers Global Pvt. Ltd	Milers Global Pvt. Ltd
	Apollo Fiege Integrated Logistics Pvt. Ltd	Apollo Fiege Integrated Logistics Pvt. Ltd
	Mr Onkar S Kanwar	Mr Onkar S Kanwar
	Mr Neeraj Kanwar	Mr Neeraj Kanwar
Relatives of Key Managerial Personnel	Mr U S Oberoi	Mr U S Oberoi
	Mr Sunam Sarkar	Mr Sunam Sarkar
	Mr Raaja Kanwar	Mr Raaja Kanwar

Notes: Related Parties and their Relationships are as identified by the management and relied upon by the Auditors.

- (a) Incorporated during the year
- (b) As a part of group restructuring exercise , entire share capital of ATAG has been transferred by ATCPL to Apollo Coop, entire share capital of ATFZE and ATHS have been transferred by AMHPL to Apollo Coop and entire share capital of ATH Kft has been transferred by ATG Coop to ATBV.
- (c) Name changed during the year.
- (d) Sold off during the year.
- (e) Winding up completed during the year.
- (f) The cost of investment was fully impaired in the prior years.

Transactions with Related Parties:

FY 2014-15					₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Key Manage-ment Personnel	Total	
Description of Transactions:					
Sales: Finished Goods					
Apollo Intl. Trading LLC, Dubai		1,034.36		1,034.36	
Apollo International Ltd.		446.98		446.98	
Apollo Vredestein B.V.	1,402.33			1,402.33	
Apollo Tyres (Middle East) Fze.	784.99			784.99	
Apollo Tyres (Thailand) Ltd.	2,462.59			2,462.59	
Apollo Tyres Africa (Pty) Ltd.	1,337.24			1,337.24	
	5,987.15	1,481.34		7,468.49	
Sales: Raw Materials					
Classic Auto Tubes Ltd.		5.18		5.18	
Sales: Semi Finished Goods					
Apollo Vredestein B.V.	3.12			3.12	
Apollo Tyres Africa (Pty) Ltd.	1.15			1.15	
	4.27			4.27	
Investments Made:					
Apollo Tyres (Greenfield) Co-operatief U.A.	4.05			4.05	
Royalty Income:					
Apollo Tyres (Middle East) Fze.	8.19			8.19	
Apollo Tyres (Thailand) Ltd.	35.93			35.93	
Apollo Tyres Africa (Pty) Ltd.	29.72			29.72	
	73.84			73.84	
Cross Charge of Management & Other Expenses Received #:					
Apollo Vredestein B.V.	40.77			40.77	
Apollo Tyres (Middle East) Fze.	1.40			1.40	
Apollo Tyres Global R & D B.V.	2.03			2.03	
Apollo Tyres (UK) Pvt. Ltd.	3.45			3.45	
Apollo Tyres (Thailand) Ltd.	1.62			1.62	
PTL Enterprises Ltd.		4.45		4.45	
Classic Auto Tubes Ltd.		1.78		1.78	
Apollo Tyres Africa (Pty) Ltd.	5.46			5.46	
Artemis Medicare Services Ltd.		0.60		0.60	
	54.73	6.83		61.56	
Rent Received:					
PTL Enterprises Ltd.		0.12		0.12	
Bespoke Tours & Travels Ltd.		1.23		1.23	
Classic Auto Tubes Ltd.		0.11		0.11	
		1.46		1.46	

Reimbursement of Expenses Received:				
Apollo Vredestein B.V.	124.79			124.79
Apollo Tyres (Middle East) Fze.	3.79			3.79
Apollo Tyres Global R & D B.V.	22.25			22.25
Apollo Tyres (Thailand) Ltd.	1.90			1.90
Apollo Tyres (UK) Pvt. Ltd.	4.96			4.96
Classic Auto Tubes Ltd.		8.23		8.23
Apollo Tyres Africa (Pty) Ltd.	4.63			4.63
PTL Enterprises Ltd.		2.98		2.98
Apollo International Ltd.		3.23		3.23
Apollo Tyres (Hungary) Kft	46.96			46.96
	209.28	14.44		223.72
Freight & Insurance recovered:				
Apollo International Ltd.		0.02		0.02
Apollo Tyres (Middle East) Fze.	20.86			20.86
Apollo Tyres (Thailand) Ltd.	34.23			34.23
Apollo Tyres Africa (Pty) Ltd.	46.44			46.44
Apollo Vredestein B.V.	78.23			78.23
	179.76	0.02		179.78
Royalty Paid:				
Apollo Tyres AG, Switzerland	8.86			8.86
Purchases:				
Apollo Vredestein B.V.	121.74			121.74
Classic Auto Tubes Ltd.		548.94		548.94
	121.74	548.94		670.68
Clearing Charges Paid:				
Apollo Fiege Integrated Logistics Pvt. Ltd.		39.94		39.94
Warehouse Management Charges Paid:				
Apollo Fiege Integrated Logistics Pvt. Ltd.		53.16		53.16
Legal and Professional Charges Paid:				
Amarchand & Mangaldas & Suresh A Shroff & Co.		9.50		9.50
J Sagar & Associates		6.70		6.70
		16.20		16.20
Reimbursement of Expenses paid:				
Apollo Vredestein B.V.	3.90			3.90
Apollo Tyres (Thailand) Ltd.	5.47			5.47
Apollo Tyres (Middle East) Fze.	8.23			8.23
Apollo (Mauritius) Holdings Pvt. Ltd.	2.95			2.95
Apollo Tyres (UK) Pvt. Ltd.	26.95			26.95
Apollo Tyres Global R & D B.V.	0.04			0.04
Apollo Vredestein Tires Inc.	0.25			0.25
PTL Enterprises Ltd.		445.07		445.07
Classic Auto Tubes Ltd.		226.04		226.04
	47.79	671.11		718.90
Payment for Services Received:				
Artemis Medicare Services Ltd.		11.46		11.46
Classic Auto Tubes Ltd.		0.42		0.42
		11.88		11.88
Cross Charge of R & D Expenses paid:				
Apollo Tyres Global R & D B.V.	555.65			555.65
Cross Charge of Other Expenses paid:				
Apollo Tyres (U.K.) Pvt. Ltd.	468.27			468.27
Lease Rent paid:				
PTL Enterprises Ltd.		400.00		400.00

Rent Paid:				
Sunlife Tradelinks		23.43		23.43
Land Mark Farms & Housing		24.00		24.00
Regent Properties		21.60		21.60
Classic Auto Tubes Ltd.		0.12		0.12
Milers Global Pvt. Ltd.		3.00		3.00
		72.15		72.15
Conversion charges Paid:				
Classic Auto Tubes Ltd.		968.20		968.20
Mixing Charges Paid:				
Classic Auto Tubes Ltd.		247.56		247.56
Travelling Expenses Paid:				
Bespoke Tours & Travels Ltd.		317.58		317.58
Conference Expenses:				
Bespoke Tours & Travels Ltd.		220.55		220.55
Commssion on Sales paid:				
Apollo Tyres (Thailand) Ltd.	5.39			5.39
Apollo Tyres (Middle East) Fze.	50.44			50.44
	55.83			55.83
Managerial Remuneration:				
Mr Onkar S Kanwar			417.10	417.10
Mr Neeraj Kanwar			273.00	273.00
Mr U S Oberoi			7.01	7.01
Mr Sunam Sarkar			41.82	41.82
			738.93	738.93
Amount Outstanding:				
Trade Payable:				
Apollo Tyres AG, Switzerland	2.03			2.03
Apollo Vredestein B.V.	22.57			22.57
Apollo Tyres (UK) Pvt. Ltd.	138.44			138.44
Apollo Tyres Global R&D	135.64			135.64
Apollo Tyres (Middle East) Fze.	69.99			69.99
Bespoke Tours & Travels Ltd.		6.08		6.08
Classic Auto Tubes Ltd.		25.38		25.38
Apollo (Mauritius) Holdings Pvt. Ltd.	433.58			433.58
Apollo Tyres (Thailand) Ltd.	3.21			3.21
Artemis Medicare Services Ltd.		0.15		0.15
Amarchand & Mangaldas & Suresh A Shroff & Co.		0.06		0.06
	805.46	31.67		837.13
Other Current Liabilities:				
Apollo Vredestein B.V.	4.32			4.32
Apollo Vredestein Tires Inc.	0.06			0.06
Classic Auto Tubes Ltd.		43.15		43.15
	4.38	43.15		47.53
Long Term Loans & Advances:				
PTL Enterprises Ltd.		400.00		400.00
Sunlife Tradelinks		5.86		5.86
Land Mark Farms & Housing		6.00		6.00
Regent Properties		5.40		5.40
Milers Global Pvt. Ltd.		0.75		0.75
Classic Auto Tubes Ltd.		79.60		79.60
		497.61		497.61

Trade Receivable:				
Apollo Vredestein B.V.	219.07			219.07
Apollo Tyers Africa(Pty) Ltd.	505.62			505.62
Apollo Tyres (Middle East) Fze.	81.10			81.10
Classic Auto Tubes Ltd.		7.89		7.89
Apollo International Ltd.		105.60		105.60
Apollo Tyres Global R&D	1.54			1.54
Apollo Tyres (Thailand) Ltd.	185.91			185.91
	993.24	113.49		1,106.73
Short Term Loans & Advances:				
Apollo Tyres Africa (Pty) Ltd.	7.33			7.33
Apollo Vredestein B.V.	35.80			35.80
PTL Enterprises Ltd.		31.84		31.84
Travel Tracks Ltd.		0.01		0.01
Classic Auto Tubes Ltd.		10.10		10.10
Apollo Fiege Integrated Logistics Pvt. Ltd.		0.49		0.49
Apollo Finance Ltd.		3.24		3.24
Apollo Tyres (Hungary) Kft	46.96			46.96
	90.09	45.68		135.77

Transactions with Related Parties:
FY 2013-14
₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Manage-ment Personnel	Total
Description of Transactions:				
Sales : Finished Goods				
Apollo Intl. Trading LLC, Dubai		1,311.47		1,311.47
Apollo Tyres South Africa (Pty) Ltd.	1,052.59			1,052.59
Apollo Vredestein B.V.	1,359.33			1,359.33
Apollo Tyres (Middle East) Fze.	980.87			980.87
Apollo Tyres (Thailand) Ltd.	1,700.97			1,700.97
Apollo Durban (Pty) Ltd.	254.19			254.19
	5,347.95	1,311.47		6,659.42
Sales: Raw Materials				
Classic Auto Tubes Ltd		31.48		31.48
Sales: Semi Finished Goods				
Apollo Tyres South Africa (Pty) Ltd.	1.28			1.28
Apollo Vredestein B.V.	2.38			2.38
Apollo Durban (Pty) Ltd.	0.92			0.92
	4.58			4.58
Investments Made:				
Apollo (Mauritius) Holdings Pvt. Ltd.	383.97			383.97
Royalty Income:				
Apollo Tyres South Africa (Pty) Ltd.	14.04			14.04
Apollo Tyres (Middle East) Fze.	10.42			10.42
Apollo Tyres (Thailand) Ltd.	23.43			23.43
Apollo Durban (Pty) Ltd.	9.40			9.40
	57.29			57.29

Cross Charge of Management & Other Expenses Received #:				
Apollo Tyres South Africa (Pty) Ltd.	10.65			10.65
Apollo Vredestein B.V.	6.87			6.87
Apollo Tyres (Middle East) Fze.	0.37			0.37
Apollo Tyres Global R & D B.V.	1.87			1.87
Apollo Tyres (UK) Pvt. Ltd.	0.28			0.28
Apollo Tyres (Thailand) Ltd.	3.15			3.15
PTL Enterprises Ltd.		3.38		3.38
Classic Auto Tubes Ltd.		1.78		1.78
Apollo Durban (Pty) Ltd.	4.91			4.91
Artemis Medicare Services Ltd.		0.60		0.60
	28.10	5.76		33.86
Rent Received:				
PTL Enterprises Ltd.		0.12		0.12
Bespoke Tours & Travels Ltd.		1.23		1.23
Classic Auto Tubes Ltd.		0.11		0.11
		1.46		1.46
Reimbursement of Expenses Received:				
Apollo Tyres South Africa (Pty) Ltd.	4.22			4.22
Apollo Vredestein B.V.	6.53			6.53
Apollo Tyres (Middle East) Fze.	3.52			3.52
Apollo Tyres B.V,	1.56			1.56
Apollo Tyres Global R & D B.V.	9.95			9.95
Apollo Tyres (Thailand) Ltd.	0.80			0.80
Apollo Tyres (UK) Pvt. Ltd.	2.93			2.93
Classic Auto Tubes Ltd.		26.73		26.73
Apollo Durban (Pty) Ltd.	0.59			0.59
	30.10	26.73		56.83
Royalty Paid:				
Apollo Tyres AG, Switzerland	7.83			7.83
Purchases:				
Apollo Vredestein B.V.	56.58			56.58
PTL Enterprises Ltd.		0.06		0.06
Classic Auto Tubes Ltd.		307.53		307.53
	56.58	307.59		364.17
Clearing Charges Paid:				
Apollo Fiege Integrated Logistics Pvt. Ltd.		81.38		81.38
Warehouse Management Charges Paid:				
Apollo Fiege Integrated Logistics Pvt. Ltd.		27.10		27.10
Legal and Professional Charges Paid:				
Amarchand & Mangaldas & Suresh A Shroff & Co.		4.58		4.58
J Sagar & Associates		20.25		20.25
		24.83		24.83
Reimbursement of Expenses paid:				
Apollo Vredestein B.V.	40.45			40.45
Apollo Tyres South Africa (Pty) Ltd.	0.16			0.16
Apollo Tyres (Middle East) Fze.	9.32			9.32
Apollo (Mauritius) Holdings Pvt. Ltd.	430.63			430.63
Apollo Tyres (UK) Pvt. Ltd.	19.63			19.63
Apollo Tyres Global R & D B.V.	0.50			0.50
PTL Enterprises Ltd.		420.73		420.73
Classic Auto Tubes Ltd.		146.72		146.72
	500.69	567.45		1,068.14
Payment for Services Received:				
Artemis Medicare Services Ltd.		10.52		10.52

Cross Charge of R & D Expenses paid:				
Apollo Tyres Global R & D B.V.	438.21			438.21
Cross Charge of Other Expenses paid:				
Apollo Tyres (U.K.) Pvt. Ltd.	281.16			281.16
Lease Rent paid:				
PTL Enterprises Ltd.		400.00		400.00
Rent Paid:				
Sunlife Tradelinks		23.43		23.43
Land Mark Farms & Housing		24.00		24.00
Regent Properties		21.60		21.60
Classic Auto Tubes Ltd.		0.12		0.12
Milers Global Pvt. Ltd.		3.00		3.00
		72.15		72.15
Conversion charges Paid:				
Classic Auto Tubes Ltd.		1,017.61		1,017.61
Mixing Charges Paid:				
Classic Auto Tubes Ltd.		318.41		318.41
Travelling Expenses Paid:				
Travel Tracks Ltd.		1.34		1.34
Bespoke Tours & Travels Ltd.		217.72		217.72
		219.06		219.06
Conference Expenses:				
Bespoke Tours & Travels Ltd.		202.60		202.60
Security Deposits Given:				
Milers Global Pvt. Ltd.		0.75		0.75
Refund of Security Deposits:				
Sunlife Tradelinks		64.43		64.43
Land Mark Farms & Housing		66.00		66.00
Regent Properties		59.40		59.40
		189.83		189.83
Managerial Remuneration:				
Mr Onkar S Kanwar			304.08	304.08
Mr Neeraj Kanwar			142.12	142.12
Mr U S Oberoi			10.33	10.33
Mr Sunam Sarkar			38.45	38.45
			494.98	494.98
Amount Outstanding:				
Trade Payable:				
Apollo Tyres AG, Switzerland	0.26			0.26
Apollo Vredestein B.V.	2.17			2.17
Apollo Tyres (UK) Pvt. Ltd.	116.35			116.35
Apollo Tyres Global R&D	77.36			77.36
Apollo Tyres (Middle East) Fze.	6.92			6.92
Travel Tracks Ltd.		(0.01)		(0.01)
Classic Auto Tubes Ltd.		22.27		22.27
Apollo (Mauritius) Holdings Pvt. Ltd.	430.63			430.63
Apollo Tyres (Thailand) Ltd.	0.33			0.33
Apollo Fiege Integrated Logistics Pvt. Ltd.		9.39		9.39
	634.02	31.65		665.67
Other Current Liabilities:				
Apollo Vredestein B.V.	1.20			1.20
Apollo International Ltd.		0.10		0.10
Classic Auto Tubes Ltd.		4.38		4.38
	1.20	4.48		5.68

Long Term Loans & Advances:				
PTL Enterprises Ltd.		400.00		400.00
Sunlife Tradelinks		5.86		5.86
Land Mark Farms & Housing		6.00		6.00
Regent Properties		5.40		5.40
Milers Global Pvt. Ltd.		0.75		0.75
Classic Auto Tubes Ltd.		123.89		123.89
		541.90		541.90
Trade Receivable:				
Apollo Vredestein B.V.	186.30			186.30
Apollo Durban (Pty) Ltd.	122.69			122.69
Apollo Tyres (Middle East) Fze.	109.76			109.76
Classic Auto Tubes Ltd.		2.41		2.41
Apollo International Ltd.		0.01		0.01
Apollo Intl. Trading LLC, Dubai		155.62		155.62
Apollo Tyres (Thailand) Ltd.	341.03			341.03
	759.78	158.04		917.82
Short Term Loans & Advances:				
Apollo Durban (Pty) Ltd.	12.80			12.80
Apollo Vredestein B.V.	4.08			4.08
Apollo Tyres B.V. Ltd.	10.70			10.70
Apollo Tyres (Thailand) Ltd.	25.02			25.02
PTL Enterprises Ltd.		43.24		43.24
Bespoke Tours & Travels Ltd.		33.83		33.83
Classic Auto Tubes Ltd.		2.97		2.97
Artemis Medicare Services Ltd.		0.59		0.59
	52.60	80.63		133.23

Cross Charge of Management Expenses Received includes recovery of salary adjusted in Employee Benefit Expenses
₹ **54.73 Million** (₹ 24.86 Million)

24. Disclosure required by Clause 32 of the listing agreement 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 in shares of the Company
SUBSIDIARIES			
Apollo (Mauritius) Holdings Pvt. Ltd. (AMHPL)			
2014-15	-	-	-
2013-14	-	-	383.98
Companies in which directors are interested			
PTL Enterprises Ltd. (PTL)			
2014-15 (Trade advance)	31.84	31.84	-
2013-14 (Trade advance)	43.24	43.24	-

25. Operating Lease

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under those leases were ₹ **400 Million** (₹ 400 Million).

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Within one year of the balance sheet date	400.00	400.00
Due in a period between one year and five years	2,000.00	2,000.00
Due after five years	400.00	800.00

26. Finance Lease - Deferred Payment Credit

The Company has entered into finance lease arrangements for certain Assets. The schedule of future minimum lease payments in respect of non-cancelable Finance leases is set out below:

PARTICULARS	Total Minimum Lease Payments		Present Value of Lease Payments	
	2014-15	2013-14	2014-15	2013-14
Within one year of the balance sheet date	68.31	68.88	56.12	52.51
Due in a period between one year and five years	101.75	156.52	79.67	127.01
Due after Five Years	45.21	52.65	35.97	40.42
Total	215.27	278.05	171.76	219.94
Less: Future Finance Charges	(43.51)	(58.11)		
Present Value of Minimum Lease Payments	171.76	219.94		

27. Interest in Joint Ventures – The Company has interests in the following Joint Controlled Entity (JCE):

Name of Joint Venture and Country of Incorporation	% of interest	Amount of interest based on accounts					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Pan Aridus LLC. USA As on March 31, 2015	50	18.92	18.92	43.22	64.64	Nil	Nil
As on March 31, 2014	50	18.22	18.22	0.90	55.70	Nil	Nil

28. Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

PARTICULARS	2014-15	2013-14
Basic & Diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	6,450.81	4,426.19
The weighted average number of equity shares outstanding during the year for Basic EPS - (B)	507,942,578	504,024,770
Add : Effect of Warrants which are dilutive	441,058	649,102
The weighted average number of equity shares outstanding during the year for Diluted EPS - (C)	508,383,636	504,673,872
Basic earnings per share (₹) – (A) / (B) (Face value of ₹ 1 each)	12.70	8.78
Diluted earnings per share (₹) – (A) / (C) (Face value of ₹ 1 each)	12.69	8.77

29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

	ONKAR S KANWAR Chairman & Managing Director	NEERAJ KANWAR Vice Chairman & Managing Director	S NARAYAN Director
Gurgaon May 12, 2015	GAURAV KUMAR Chief Financial Officer		SEEMA THAPAR Company Secretary



**CONSOLIDATED ACCOUNTS
INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF APOLLO TYRES LTD.**

Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of APOLLO TYRES LTD. (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) an associate and a jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”)

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group,

its associate and jointly controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 35 subsidiaries, whose financial statements reflect total assets of ₹ 32,487.80 Million as at March 31, 2015, total revenues of ₹ 44,692.74 Million and net cash flows amounting to ₹ 4,470.71 Million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2015, 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-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

The results of subsidiaries based in Zimbabwe have not been consolidated in accordance with paragraph 11 of the Accounting Standard 21 (Consolidated Financial Statements) as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor’s report of the Holding Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.
2. As required by Section 143(3) of the Act, 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 purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account, as required by the 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 reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

f) With respect to other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors’) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity.

ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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 ₹ 3.60 Million (Previous Year ₹ 2.92 Million) which has not been transferred as per the orders/instructions of the Special Court (Trial of Offences relating to Transactions in Securities), Mumbai. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firms' Registration No.008072S)

sd/-

M.K. Ananthanarayanan

Partner

(Membership No.19521)

Place of Signature: Gurgaon

Date: May 12, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India. Therefore, our reporting on the Order relates only to the Holding Company to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements.

- (i)

In respect of its fixed assets:

(a)

The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b)

Some of the fixed assets were physically verified during the year by the Holding Company's Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii)

In respect of its inventories:

(a)

As explained to us, the inventories were physically verified during the year by the Holding Company's Management at reasonable intervals.

(b)

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Holding Company's Management were reasonable and adequate in relation to the size of the Holding Company and the nature of its business.

(c)

In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii)

The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained by the Holding Company under Section 189 of the Companies Act, 2013.
- (iv)

In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v)

According to the information and explanations given to us, the Holding Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Holding Company has complied with the provisions of Sections 73, Section 76 or any other relevant provisions of the Companies Act, 2013.
- (vi)

We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)

According to the information and explanations given to us in respect of statutory dues:

(a)

The Holding Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b)

There were no undisputed amounts payable by the Holding Company in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c)

Details of dues of Income-tax, Sales Tax and Excise Duty which have not been deposited by the Holding Company as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount involved (₹ in Millions)
Sales Tax Act applicable to various States	Sales tax	Various Appellate Authorities / Revenue Board / High Court.	Financial Years 1990-91 to 2002-03, 2004-05 to 2006-07 and 2010-11.	115.77*
Central Excise Act, 1944	Excise Duty and Additional Excise Duty	Various Appellate Authorities / High Court.	1994-95 to 2009-10	925.75**
Income Tax Act, 1961	Income tax	Various Appellate Authorities / High Court.	1987-88 to 2012-13	751.53***

* Net of Deposits of ₹ 48.05 Million

** Net of Deposits of ₹ 1.65 Million

*** Net of Deposits of ₹ 141.43 Million

- (d)

The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time other than ₹ 3.60 Million (Previous Year ₹ 2.92 Million) which has not been transferred as per the orders/instructions of the Special Court (Trial of Offences relating to Transactions in Securities), Mumbai.
- (viii)

The Holding Company does not have accumulated losses at the end of the financial year and the Holding Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix)

In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x)

In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Holding Company including the bank deposits pledged by the Holding Company for loans taken by others as referred to in Note B10(c) to the Consolidated Financial Statements.
- (xi)

In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained.
- (xii)

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and no material fraud on the Holding Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firms' Registration No.008072S)

sd/-

M.K. Ananthanarayanan

Partner

(Membership No.19521)

Place of Signature: Gurgaon

Date: May 12, 2015

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2015

	Notes	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
A. EQUITY & LIABILITIES:			
1 Shareholders' Funds:			
(a) Share Capital	B 1	509.09	504.09
(b) Reserves and Surplus	B 2	49,913.88	45,134.39
(c) Money Received Against Share Warrants	C 7	-	107.75
		<u>50,422.97</u>	<u>45,746.23</u>
2 Non-Current Liabilities:			
(a) Long-term Borrowings	B 3	3,339.39	7,137.33
(b) Deferred Tax Liabilities (Net)	C 13(a)	5,208.95	5,358.42
(c) Other Long Term Liabilities	B 3	72.68	64.67
(d) Long-term Provisions	B 3	1,259.77	1,370.70
		<u>9,880.79</u>	<u>13,931.12</u>
3 Current Liabilities:			
(a) Short-term Borrowings	B 4	4,666.36	2,751.19
(b) Trade Payables		8,640.17	12,537.63
(c) Other Current Liabilities		6,624.66	10,397.79
(d) Short-term Provisions		5,915.89	5,091.88
		<u>25,847.08</u>	<u>30,778.49</u>
TOTAL		<u>86,150.84</u>	<u>90,455.84</u>
B. ASSETS			
1 Non-Current Assets:			
(a) Fixed Assets	B 5		
(i) Tangible Assets		41,588.47	43,570.70
(ii) Intangible Assets		1,096.33	986.80
(iii) Capital Work-in-Progress		2,182.06	464.78
		<u>44,866.86</u>	<u>45,022.28</u>
(b) Goodwill on Consolidation		1,165.13	1,375.62
(c) Non-Current Investments	B 6	470.27	637.21
(d) Deferred Tax Assets (Net)	C 13(a)	296.95	117.00
(e) Long-term Loans & Advances	B 7	1,907.37	1,371.56
(f) Other Non-Current Assets	B 8	360.18	214.14
		<u>49,066.76</u>	<u>48,737.81</u>
2 Current Assets:			
(a) Current Investments	B 9	1,000.00	-
(b) Inventories	B 10	17,782.06	20,664.24
(c) Trade Receivables	B 10	9,589.43	10,426.67
(d) Cash & Cash Equivalents	B 10	5,945.90	6,540.50
(e) Short Term Loans & Advances	B 11	2,390.73	3,706.56
(f) Other Current Assets	B 12	375.96	380.06
		<u>37,084.08</u>	<u>41,718.03</u>
TOTAL		<u>86,150.84</u>	<u>90,455.84</u>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

M K ANANTHANARAYANAN
Partner

Gurgaon
May 12, 2015

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2015

	Notes	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
1 Revenue from Operations			
Gross Sales		137,247.03	142,895.31
Less: Excise Duty		9,990.04	9,792.03
Net Sales		<u>127,256.99</u>	<u>133,103.28</u>
Other Operating Income	B 13	595.49	1,016.52
2 Other Income	B 14	537.99	978.46
3 Total Revenue (1 + 2)		<u>128,390.47</u>	<u>135,098.26</u>
4 Expenses			
(a) Cost of Materials Consumed	B 15	63,884.39	71,067.48
(b) Purchase of Stock-in-Trade	B 15	5,869.17	6,964.58
(c) Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade		874.65	(311.39)
(d) Employee Benefits Expense	B 15	16,070.38	15,811.94
(e) Finance Costs	B 16	1,827.90	2,837.94
(f) Depreciation & Amortization Expense	B 5	3,882.88	4,108.51
(g) Other Expenses	B 15	21,847.93	21,832.06
Total Expenses		<u>114,257.30</u>	<u>122,311.12</u>
5 Profit before Exceptional Items & Tax (3 - 4)		14,133.17	12,787.14
6 Exceptional Items	C 6	824.90	467.86
7 Profit before Tax (5 - 6)		<u>13,308.27</u>	<u>12,319.28</u>
8 Tax Expense			
(a) Current Tax Expense		3,534.99	1,942.67
(b) Deferred Tax Expense		(2.81)	326.03
Total Tax Expense		<u>3,532.18</u>	<u>2,268.70</u>
9 Profit for the year (7 - 8)		<u>9,776.09</u>	<u>10,050.58</u>
10 Earnings per Share of ₹ 1 each:			
(a) Basic	C 21	19.25	19.94
(b) Diluted		19.23	19.91

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

M K ANANTHANARAYANAN
Partner

Gurgaon
May 12, 2015

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary

CONSOLIDATED CASH - FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2015

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Profit before tax	13,308.27	12,319.28
Add: Adjustments for:		
Depreciation and Amortization Expenses	3,882.88	4,108.51
Loss on Sale of Tangible Fixed Assets (Net)	23.86	29.61
(Profit) on Sale of Investments	-	(1,858.45)
Exceptional Item	824.90	-
Dividend from Trade & Non Trade Investments	(26.30)	(92.57)
Provision for Doubtful Trade Receivables / Advances written back	40.20	-
Provision for Constructive Liability	7.50	-
Provision for Compensated Absences	37.83	7.80
Provision for Inventory	-	5.79
Provision for estimated loss on derivatives	82.64	67.14
Provision for Contingencies	-	425.00
Other Provision	-	24.59
Unclaimed Credit Balances / Provisions written back	(20.00)	(26.37)
Finance Cost (Net of Interest Capitalized)	1,827.90	2,837.94
Interest Income	(115.60)	(221.90)
Unrealized Loss / (Gain) on Foreign Exchange Fluctuation	11.49	(69.73)
Post Retirement Medical Obligation	0.06	(17.89)
(ii) Operating Profit Before Working Capital Changes	6,577.36	5,219.47
Changes in Working Capital	19,885.63	17,538.75
Adjustments for (increase) / decrease in operating assets:		
Inventories	1,697.66	(905.58)
Trade Receivables	892.32	516.01
Short-Term Loans and Advances	579.57	(871.01)
Other Non-Current Assets	(146.04)	-
Other Current Assets	104.17	(589.14)
Long -Term Loans and Advances	(260.61)	(9.81)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(4,114.34)	2,152.38
Other Current Liabilities	(1,250.47)	604.62
Other Long-Term Liabilities & Provisions	184.10	106.70
Short - Term Provisions	28.06	297.58
(iii) Cash Generated from Operations	17,600.05	18,840.50
Less: Direct Taxes Paid (Net of Refund)	(2,954.16)	(2,385.86)
Less: Exceptional Item	(629.96)	-
Net Cash Flow From Operating Activities (A)	14,015.93	16,454.64
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Purchase of Investment Property and Interest Capitalized)	(6,268.90)	(4,989.18)
Proceeds from Sale of Fixed Assets	67.87	79.75
Deposits on Equipments	-	4.45
(Purchase) / Sale of Investments	(796.21)	3,627.20
Long Term Fixed Term Deposits With Banks Taken / Matured	15.86	13.14
Dividend Received from Trade and Non Trade Investments	26.30	92.57
Payment for Trademarks	(557.06)	(242.03)
Interest Received	115.69	221.52
Net Cash Used in Investing Activities (B)	(7,396.45)	(1,192.58)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital including Share Premium	323.25	-
Long-Term Borrowings received	45.86	657.44
Repayment of Long -Term Borrowings	(7,652.61)	(6,227.35)
Capital Subsidy received	22.50	-
ETP Subsidy received	3.00	-
Bank Overdraft / Short-Term Borrowings (net of repayments)	2,781.22	(3,326.74)
Payment of Dividends (Including Dividend Tax)	(446.65)	(297.05)
Finance Charges Paid (Net of Interest Capitalized)	(1,912.43)	(2,881.42)
Net Cash Used In Financing Activities (C)	(6,835.86)	(12,075.12)
Forex Fluctuation difference arising out of Consolidation (D)	(359.28)	15.07
Net Increase in Cash and Cash Equivalents (A+B+C+D)	(575.66)	3,202.01
Cash & Cash Equivalents as at the beginning of the year	6,540.50	3,347.77
Less: Bank Deposits with Original Maturity over Three Months	59.88	72.86
Less: Unpaid Dividends Bank Accounts	32.45	30.24
	6,448.17	3,244.67
Loss on Reinstatement of Foreign Currency Cash & Cash Equivalents (Net)	10.10	8.61
Adjusted Cash & Cash Equivalents as at the beginning of the year	6,438.07	3,236.06
Cash & Cash Equivalents as at the end of the year	5,945.90	6,540.50
Less: Bank Deposits with Original Maturity over Three Months	41.01	59.88
Less: Unpaid Dividends Bank Accounts	35.91	32.45
	5,868.98	6,448.17
Loss on Reinstatement of Foreign Currency Cash & Cash Equivalents (Net)	6.57	10.10
Adjusted Cash & Cash Equivalents as at the end of the year	5,862.41	6,438.07

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

ONKAR S KANWAR

Chairman &
Managing Director

NEERAJ KANWAR

Vice Chairman &
Managing Director

S NARAYAN

Director

M K ANANTHANARAYANAN

Partner

GAURAV KUMAR

Chief Financial Officer

SEEMA THAPAR

Company Secretary

Gurgaon

May 12, 2015

A. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP CORPORATE INFORMATION

The Apollo Tyres Group consists of Apollo Tyres Limited, the ultimate holding company with several foreign subsidiaries. Established in 1972, the Group is in the business of manufacture and sale of tyres. The Group has its headquarters in Gurgaon, India and operations in 3 continents. The Group employs approximately 15,000 employees based across India, South Africa and Europe. India constitutes the largest market accounting for 65% of the Group's revenues, followed by Europe with 31% and South Africa with 4%.

The product portfolio of the Group consists 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, and alloy wheels.

2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention with the exception of certain fixed assets, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Apollo Tyres Ltd (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary companies, jointly controlled entities and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2015.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis.
- Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- Goodwill arising on consolidation is not amortised but tested for impairment.
- In respect of the foreign operations, the audited financial statements for the year ended March 31, 2015 were converted into Indian currency as per accounting standard (AS 11) "The effect of changes in Foreign Exchange Rates".

- (viii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as referred in Para 2.4.
- (ix) Following subsidiary companies, associates and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

Name of the Company	Relationship	Country of Incorporation	Ownership Held By	% of Holding and voting power either directly or indirectly through subsidiary as at		Remarks
				31.03.2015	31.03.2014	
Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	Subsidiary	Mauritius	Apollo Tyres Ltd	100%	100%	
Apollo Tyres (Greenfield) Co. Operatief U.A.	Subsidiary	Netherlands	Apollo Tyres Ltd	100%	NIL	Note(a)
Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	Subsidiary	South Africa	AMHPL	100%	100%	
Apollo Tyres Africa (Pty) Ltd	Subsidiary	South Africa	ASHPL	100%	100%	Note(c)
UK ATL Holdings Limited	Subsidiary	United Kingdom	ASHPL	NIL	100%	Note(d)
Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	Subsidiary	Cyprus	AMHPL	100%	100%	
Apollo Tyres AG (ATAG)	Subsidiary	Switzerland	Apollo Coop	100%	100%	Note (b)
Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	Subsidiary	Singapore	Apollo Coop	100%	100%	Note (b)
Apollo Tyres (LAO) Co. Ltd	Subsidiary	Lao, PDR	ATHS	NIL	95%	Note(e)
Apollo Tyres (Middle East) Fze (ATFZE)	Subsidiary	Dubai	Apollo Coop	100%	100%	Note (b)
Apollo Tyres Co-operatief U.A. (Apollo Coop)	Subsidiary	Netherlands	AMHPL	100%	100%	
Apollo Tyres (Brasil) Ltda	Subsidiary	Brazil	Apollo Coop	100%	100%	
Apollo Tyres Global R&D B.V.	Subsidiary	Netherlands	Apollo Coop	100%	100%	
Apollo Tyres (Thailand) Limited	Subsidiary	Thailand	Apollo Coop	100%	100%	
Apollo Tyres B.V. (ATBV)	Subsidiary	Netherlands	Apollo Coop	100%	100%	
Apollo Tyres (Hungary) Kft. (ATH Kft)	Subsidiary	Hungary	ATBV	100%	NIL	Note (b)
Apollo Acquisition Corp.	Subsidiary	USA	ATBV	NIL	100%	Note(e)
Apollo Tyres (UK) Pvt Ltd (ATUK)	Subsidiary	United Kingdom	Apollo Coop	100%	100%	
Apollo Tyres Propvest (UK) Pvt Ltd	Subsidiary	United Kingdom	ATUK	100%	NIL	Note(a)
Apollo Vredestein B.V. (AVBV)	Subsidiary	Netherlands	ATBV	100%	100%	
Apollo Vredestein GmbH	Subsidiary	Germany	AVBV	100%	100%	
Vredestein Marketing B.V. & Co. KG	Subsidiary	Germany	Apollo Vredestein GmbH	100%	100%	
Vredestein Nordic A.B. (Earlier known as Vredestein Deck A.B.)	Subsidiary	Sweden	AVBV	100%	100%	
Vredestein Norge A.S.	Subsidiary	Norway	AVBV	100%	100%	
Apollo Vredestein U.K. Limited	Subsidiary	United Kingdom	AVBV	100%	100%	
Apollo Vredestein SAS	Subsidiary	France	AVBV	100%	100%	
Apollo Vredestein Belux	Subsidiary	Belgium	AVBV	100%	100%	
Apollo Vredestein Gesellschaft m.b.H.	Subsidiary	Austria	AVBV	100%	100%	
Apollo Vredestein Schweiz AG	Subsidiary	Switzerland	AVBV	100%	100%	
Apollo Vredestein Srl	Subsidiary	Italy	AVBV	100%	100%	
Apollo Vredestein Iberica SA	Subsidiary	Spain	AVBV	100%	100%	

Apollo Vredestein Tires Inc.	Subsidiary	USA	AVBV	100%	100%	
Apollo Vredestein Kft	Subsidiary	Hungary	AVBV	100%	100%	
S.C. Vredesetin R.O. Srl	Subsidiary	Romania	Apollo Vredestein Kft	100%	100%	
Apollo Vredestein Opony Polska Sp. Zo.o.	Subsidiary	Poland	AVBV	100%	100%	
Vredestein Consulting B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
Finlo B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
Vredestein Marketing B.V.	Subsidiary	Netherlands	AVBV	100%	100%	
PanAridus LLC	Joint Venture	USA	ATHS	50.00%	50.00%	

Notes:

- (a) Incorporated during the year.
- (b) As a part of group restructuring exercise, entire share capital of ATAG has been transferred by ATCPL to Apollo Coop, entire share capital of ATFZE and ATHS have been transferred by AMHPL to Apollo Coop and entire share capital of ATH Kft has been transferred by Apollo Coop to ATBV.
- (c) Name changed from Apollo Durban (Pty) Ltd to Apollo Tyres Africa (Pty) Ltd.
- (d) Sold off during the year
- (e) Winding up completed during the year.
- (x) Following subsidiary companies and associates based in Zimbabwe have not been consolidated / accounted under the equity method but have been accounted for as investments under AS 13 Accounting for Investments in the Consolidated Financial Statements in view of the current political situation in Zimbabwe that significantly diminishes control and imposes long term restriction on financial repatriation.

Name of the Company	Relationship	Country of Incorporation	Ownership Held By	% of Holding and voting power either directly or indirectly through subsidiary as at		Remarks
				31.03.2015	31.03.2014	
Radun Investments (Private) Ltd (RADUN)	Subsidiary	Zimbabwe	UK ATL Holdings Limited	NIL	100%	Note(a)
Apollo Tyres (Zimbabwe) (Private) Limited	Subsidiary	Zimbabwe	UK ATL Holdings Limited	NIL	100%	Note(a) & Note (b)
ASF Mining (Pvt) Ltd Zimbabwe	Subsidiary	Zimbabwe	Apollo Tyres (Zimbabwe) (Private) Limited	NIL	100%	Note(a) & Note (b)
National Tyre Services Ltd	Associate	Zimbabwe	UK ATL Holdings Limited	NIL	46.72%	Note(a) & Note (b)
Pressurite (Pty) Ltd	Associate	South Africa	Apollo (South Africa) Holdings (Pty) Ltd	28.00%	28.00%	Note(c)

- (a) Sold off during the year.
- (b) The cost of investment was fully impaired in the prior years.
- (c) The investment in Pressurite, an associate of ASHPL, has been fully impaired in the prior years and the group discontinued recognizing further losses in accordance with Para 18 of Accounting Standard 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”. Further, the group does not have any further obligations to satisfy with regard to this associate.

Additional information, as required under Schedule III to the Companies Act, 2013 of entities consolidated

S.No	Name of the Entity	Net Assets		Share in Profit or Loss	
		As a % of Consolidated Net Assets	₹ Million	As a % of Consolidated Profit or (Loss)	₹ Million
	Parent Company				
1	Apollo Tyres Limited	31.77	16,021.34	65.99	6,450.81
	Foreign Subsidiaries				
2	Apollo Tyres (Greenfield) Co. Operatief U.A.	-	-	-	-
3	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	0.64	321.22	(0.07)	(6.73)
4	Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	(0.07)	(33.43)	(0.01)	(0.73)
	Intermediate Subsidiary (Refer Note 1 and 2 below)				
5	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	13.99	7,054.08	(6.40)	(625.41)
6	Apollo Tyres Co-operatief U.A. (Apollo Coop)	53.87	27,160.40	40.77	3,985.44
	Joint Venture				
7	PanAridus LLC	(0.20)	(100.64)	(0.28)	(27.30)
	Total	100.00	50,422.97	100.00	9,776.09

Notes:

1. Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)₹ Million

S.No	Name of the Entity	Net Assets	Share in Profit or Loss
1	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	2,160.96	107.53
2	Apollo Tyres Africa (Pty) Ltd	1,460.28	(764.66)
	Add/ (Less): Effect of intercompany adjustments/eliminations	3,432.84	31.72
	Total	7,054.08	(625.41)

2. Apollo Tyres Co-operatief U.A. (Apollo Coop)₹ Million

S.No	Name of the Entity	Net Assets	Share in Profit or Loss
1	Apollo Tyres Co-operatief U.A. (Apollo Coop)	43,696.11	(4.97)
2	Apollo Tyres (Hungary) Kft	(313.39)	(374.08)
3	Apollo Tyres AG (ATAG)	178.11	(37.48)
4	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	242.08	(14.46)
5	Apollo Tyres (Middle East) Fze (ATFZE)	130.74	13.53
6	Apollo Tyres (Thailand) Limited	287.77	74.53
7	Apollo Tyres (Brasil) Ltda	8.35	(3.95)
8	Apollo Tyres Global R&D B.V.	198.51	91.47
9	Apollo Tyres B.V. (ATBV)	(66.09)	(7.36)
10	Apollo Tyres (UK) Pvt Ltd	(17.23)	49.18

11	Apollo Tyres Propvest (UK) Pvt Ltd	973.77	(2.81)
12	Apollo Vredestein B.V. (AVBV)	10,984.96	2,183.78
13	Apollo Vredestein GmbH	3,770.36	289.23
14	Vredestein Marketing B.V. & Co. KG	(2,587.92)	285.38
15	Vredestein Nordic A.B.	44.10	28.70
16	Apollo Vredestein U.K. Limited	103.39	11.87
17	Apollo Vredestein SAS	342.17	103.37
18	Apollo Vredestein Belux	30.17	130.62
19	Apollo Vredestein Gesellschaft m.b.H.	73.34	65.47
20	Apollo Vredestein Schweiz AG	271.42	27.39
21	Apollo Vredestein Srl	59.26	(10.69)
22	Apollo Vredestein Iberica SA	268.76	61.61
23	Apollo Vredestein Tires Inc.	(45.36)	(4.55)
24	Apollo Vredestein Kft	4.28	(4.97)
25	S.C. Vredesetin R.O. Srl	-	-
26	Apollo Vredestein Opony Polska Sp. Zo.o.	155.80	15.78
27	Vredestein Norge A.S.	(6.16)	3.26
28	Vredestein Consulting B.V.	192.30	31.02
29	Finlo B.V.	(15.31)	-
30	Vredestein Marketing B.V.	1.70	-
	Add/ (Less): Effect of intercompany adjustments/eliminations	(31,805.59)	984.57
	Total	27,160.40	3,985.44

2.3 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances, allowance for slow and non-moving inventories, useful lives of fixed assets, provision for sales related obligations and provision for taxation etc. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 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 of 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.

Raw materials, stores & spares and traded goods cost (net of CENVAT/VAT 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. In case of subsidiaries in Europe, the cost is determined on the basis of "First-in First-Out" and consumable stores are stated at actual cost by reference to latest purchases. The proportion of Raw materials and stores & spares of subsidiaries in Europe is 18% of the total value of Raw materials and stores & spares held by the group.

2.5 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.

2.6 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.7 DEPRECIATION AND AMORTISATION

Tangible Fixed Assets

Depreciation on fixed assets is provided using straight line method over the estimated useful life of the assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

Additional depreciation consequent to the enhancement in the value of fixed assets on the revaluation is adjusted in the fixed assets revaluation reserve account.

Leasehold land / Improvements thereon are amortized over the primary period of lease.

In respect of fixed assets whose useful life has been revised, the unamortized depreciable amount is charged over the revised remaining useful life.

Intangible Assets

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The rates of depreciation considered for the major assets are as under.

Assets Class	Estimated useful life
Building	20-30 Years
Plant & Equipments	8-25 Years
Moulds	4-10 Years
Material Handling Equipments	3-7 Years
Computer Hardware	3-5 Years
Computer Software	3-5 Years
Motor Vehicles	3-5 Years
Furniture & Fixtures and Office Equipment	4-10 Years
Continous Process Plant	10-20 Years

2.8 REVENUE RECOGNITION

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer which generally coincides with the delivery of goods to the customer. Gross sales are inclusive of excise duty and are net of trade discounts/sales returns/VAT.

Sales of the Group include sales to external customers and non-consolidated subsidiaries.

2.9 OTHER INCOME

Interest income is accounted on accrual basis. Dividend income on investments is accounted for when the right to receive the payment is established.

2.10 TANGIBLE FIXED ASSETS

- (a) Fixed assets are stated at cost, as adjusted by revaluation of certain land, buildings, plant and machineries based on the then replacement cost as determined by approved independent valuer in 1986 and 1987, less depreciation.
- (b) All costs relating to the acquisition and installation of fixed assets (net of Cenvat /VAT credits wherever applicable) are capitalized 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.
- (c) Fixed assets taken on finance lease are capitalized and depreciation is provided on such assets, while the interest is charged to the Consolidated Statement of Profit and Loss.
- (d) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.
- (e) Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 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. Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Consolidated Statement of Profit and Loss.

The Group enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast) or similar instrument, which are not intended for trading or speculation purposes, is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Exchange difference on such contracts is recognized in the Consolidated Statement of Profit and Loss in the year in which the exchange rates change.

Exchange difference arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation has been accumulated in a foreign currency translation reserve in the Group's financial statements until the disposal of net investment, at which time they would be recognized as income or as expense.

The financial statements of consolidated foreign subsidiaries are translated into Indian Rupees, which is the functional currency of the Company, as follows:

- Assets and liabilities at rates of exchange ruling at year end.
- Income and expense items at the average rate for the year.

Exchange rate differences arising on the translation of consolidated foreign subsidiaries are classified as equity and transferred to the foreign currency translation reserve.

Hedge Accounting

If a fair value hedge meets the conditions for hedge accounting, any gain or loss on the hedged item attributable to the hedged risk is included in the carrying amount of the hedged item and recognized in the Consolidated Statement of Profit and Loss.

If a cash flow hedge meets the conditions for hedge accounting the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in Hedge Reserve account under Shareholders' Funds and the ineffective and over-effective portions are recognized in the Consolidated Statement of Profit and Loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses recognized in Hedge Reserve are transferred to income in the same period in which the asset or liability affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gains or losses recognized in Hedge Reserve are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

If a hedge of a net investment in a foreign entity meets the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in Hedge Reserve and the ineffective portion is recognized in the Consolidated Statement of Profit and Loss. On disposal of a foreign entity, the gain or loss recognized in equity is transferred to the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria (including when it becomes ineffective), when the hedge instrument is sold, terminated or exercised, when for cash flow hedges the forecast transaction is no longer expected to occur or when the hedge designation is revoked. Any cumulative gain or loss on the hedging instrument for a forecast transaction is retained in Hedge Reserve until the transaction occurs, unless the transaction is no longer expected to occur, in which case it is transferred to profit or loss for the period.

2.12 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 capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export Incentives in the form of advance licences / credits earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realizable value / actual credit earned on exports made during the year.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

Other government grants and subsidies are recognised as income once the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.13 INVESTMENTS

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

2.14 EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, pension fund, gratuity fund and compensated absences.

Liability for gratuity to employees determined on the basis of actuarial valuation, using projected unit method, as on balance sheet date is funded with the Life Insurance Corporation of India and is recognized as an expense in the year incurred.

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation, using projected unit method as on the balance sheet date.

Contributions to defined contribution schemes such as provident fund, employees' pension fund and superannuation fund and cost of other benefits are recognized as an expense in the year incurred. In the case of provident fund contribution to the Company's Employees Provident Fund Trust, the shortfall, if any, between the return from the investments of Company's Employees Provident Fund Trust and the notified interest rate is recognized as an expense in Consolidated Statement of Profit and Loss in the year in which the shortfall is expected to arise.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in the Consolidated Statement of Profit and Loss as income or expense.

The employer's liability for post employment medical benefits, in respect of past service, is provided for and adjusted in response to actuarial assessments when necessary.

At reporting date, employees of one of the European subsidiaries participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the pension fund. In March 2013, the company and the pension fund reached an agreement, which has resulted in clarification of the fact that the company has no legal or constructive obligation to pay further contribution if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee service. As a result of the above the defined benefit liability was derecognized and included in the Consolidated Statement of Profit and Loss as part of the employees expenses. Obligations for contributions to defined contribution plan are recognized in the Consolidated Statement of Profit and Loss for the period in which they arise.

At reporting date employees of another European subsidiary participated in defined benefit pension plan. This plan augments the pension provided by the state and provides additional support for the employees in the case of early disability or for surviving relatives in case of the death of an employee. Employees are entitled to this pension plan after 5 years of employment. The benefits of the defined benefit pension plan in Germany are based primarily on years of service and employees' compensation. The mortality level was assessed in accordance with the German Mortality table 2005 G Heubeck. Valuation of the obligation under the pension plan is carried out by independent actuary.

One of the South African subsidiaries provides retirement benefits for its employees through a number of defined contribution plans. Contributions by the company to defined contribution retirement plans are recognised as an expense in the period in which the related services are rendered by employees.

In respect of eligible employees, the employer's liability for post employment medical benefits (a contribution obligation), in respect of past service, is provided for and adjusted in response to independent actuarial assessments when necessary. The company makes a top-up payment which is recognised as an expense in the related period.

2.15 EMPLOYEE SHARE BASED PAYMENTS

Stock appreciation rights (Phantom stock units) granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) is recognized based on intrinsic value method. Intrinsic value of the phantom stock unit is determined as excess of closing market price on the reporting date over the exercise price of the unit and is charged as employee benefit over the vesting period in accordance with "Guidance Note on Accounting for Employee Share-based payments" issued by Institute of Chartered Accountants of India.

2.16 BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs are capitalized as a part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.17 SEGMENT REPORTING

The Group identifies operating & geographic segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.18 LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are recognised as operating leases. Operating Lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

2.19 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.

2.20 TAXES ON INCOME

Current tax is determined in accordance with the applicable income tax laws of the country in which the respective entities in the group are incorporated.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, 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 timing differences. Deferred tax assets are recognized only to the extent there is a reasonable certainty that assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence of realization of such assets.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

2.21 INTANGIBLE ASSETS

Intangible assets 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 taxing 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.22 RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. 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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.23 IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.24 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Group has a present obligation 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized.

2.25 PROVISION FOR SALES RELATED OBLIGATIONS

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. The timing of outflows will vary as and when the obligation will arise - being typically upto three years.

2.26 DERIVATIVE CONTRACTS

The Group enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.27 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.28 SERVICE TAX INPUT CREDITS

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.29 OPERATING CYCLE

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

B. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B 1 SHARE CAPITAL

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) AUTHORISED		
730,000,000 Nos. (730,000,000 Nos.) Equity Shares of ₹ 1 each	730.00	730.00
200,000 Nos. (200,000 Nos.) Cumulative Redeemable Preference Shares of ₹ 100 each	20.00	20.00
	<u>750.00</u>	<u>750.00</u>
(b) ISSUED, SUBSCRIBED, CALLED AND FULLY PAID UP		
Equity Shares of ₹ 1 each:		
509,024,770 (504,024,770) Equity Shares Outstanding	509.02	504.02
Add: Forfeited Shares: 13,565 Nos. (13,565 Nos.)	0.07	0.07
	<u>509.09</u>	<u>504.09</u>

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ Million	No. of Shares	₹ Million
Opening Balance	504,024,770	504.02	504,024,770	504.02
Add: Shares allotted on conversion of Share Warrants (Note C-7)	5,000,000	5.00	-	-
Closing Balance	509,024,770	509.02	504,024,770	504.02

(d) Details of Shareholders holding more than 5% of the Paid Up Equity Share Capital of the Company with Voting Rights:

S.No.	Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
		No. of Shares	%	No. of Shares	%
1	Neeraj Consultants Ltd	42,508,142	8.35%	42,508,142	8.43%
2	Apollo Finance Ltd	36,759,650	7.22%	36,759,650	7.29%
3	Sunrays Properties & Investment Co. Pvt Ltd	35,725,648	7.02%	35,725,648	7.09%
4	Constructive Finance Pvt Ltd	29,630,857	5.82%	29,630,857	5.88%
5	Skagen Kon-Tiki Verdipapirfond	-	-	27,020,843	5.36%

(e) The rights, preferences and restrictions attached to equity shares of the Company:

The company has only one class of 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) Shares issued towards outstanding share warrants - (Note C-7).

B 2 RESERVES AND SURPLUS

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) Capital Subsidy (Note C-5)	25.50	3.00
(b) Capital Redemption Reserve	44.40	44.40
(c) Securities Premium Account		
As per last Balance Sheet	5,659.71	5,659.71
Add: Received during the year (Note C-7)	426.00	-
	<u>6,085.71</u>	<u>5,659.71</u>
(d) Debenture Redemption Reserve		
As per last Balance Sheet	1,658.33	1,170.83
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	300.00	591.67
Less: Utilised during the year	1,000.00	104.17
	<u>958.33</u>	<u>1,658.33</u>
(e) Revaluation Reserve	31.22	31.22
(f) Share Forfeiture ₹ 1,375/- (₹ 1375/-)	-	-
(g) General Reserve		
As per last Balance Sheet	9,001.43	8,001.43
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	1,000.00	1,000.00
	<u>10,001.43</u>	<u>9,001.43</u>
(h) Foreign Currency Translation Reserve		
As per last Balance Sheet	1,819.09	(310.18)
Add: Share of joint ventures - jointly controlled entities	(1.85)	(1.55)
Add: Effect Of Foreign Exchange rate variations during the year	(3,955.38)	2,130.82
Closing Balance	<u>(2,138.14)</u>	<u>1,819.09</u>
(i) Surplus in Consolidated Statement of Profit and Loss		
As per last Balance Sheet	26,917.21	18,796.39
Add: Transfer from Debenture Redemption Reserve	1,000.00	104.17
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax of ₹ 132.94 Million) (Note C-8)	258.18	-
Add: Net Profit for the year	9,776.09	10,050.58
Balance available for Appropriation	<u>37,435.12</u>	<u>28,951.14</u>
Less: Appropriations made during the year		
General Reserve	1,000.00	1,000.00
Debenture Redemption Reserve	300.00	591.67
Proposed Dividend: ₹ 2.00 per share (₹ 0.75 per share)	1,018.05	378.02
Dividend Tax	207.25	64.24
Dividend for previous year*	3.75	-
Dividend Tax on dividend for previous year*	0.64	-
	<u>2,529.69</u>	<u>2,033.93</u>
Closing Balance	<u>34,905.43</u>	<u>26,917.21</u>
Total Reserves and Surplus	<u>49,913.88</u>	<u>45,134.39</u>

* Dividend & Dividend tax for previous year relate to dividend paid on 5,000,000 equity shares which were allotted on conversion of 5,000,000 warrants after March 31, 2014 but before July 20, 2014 (book closure date) (Note C-7).

B 3 NON - CURRENT LIABILITIES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
LONG TERM BORROWINGS		
SECURED*		
(i) Debentures		
1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	1,000.00
1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	416.67
	<u>1,000.00</u>	<u>2,416.67</u>
(ii) Term Loans		
From Banks:		
External Commercial Borrowings (ECB)	1,147.55	2,306.00
Rupee Term Loans	-	333.33
	<u>1,147.55</u>	<u>2,639.33</u>
From Others:		
International Finance Corporation - Loan A	677.06	902.74
International Finance Corporation - Loan B	<u>399.14</u>	<u>598.71</u>
Bharat Earthmovers Ltd. (BEML)	-	412.45
	<u>1,076.20</u>	<u>1,913.90</u>
(iii) Finance Lease - Deferred Payment Liabilities		
Deferred Payment Credit I (Note C-20)	107.49	155.32
Deferred Payment Credit II (Note C-20)	8.15	12.11
	<u>115.64</u>	<u>167.43</u>
	<u>3,339.39</u>	<u>7,137.33</u>
OTHER LONG TERM LIABILITIES		
Security Deposits Received from Dealers	14.53	12.92
Security Deposits Received from Employees	54.61	49.20
Lease Escalation	1.59	-
Share of joint ventures - jointly controlled entities	1.95	2.55
	<u>72.68</u>	<u>64.67</u>
LONG TERM PROVISIONS		
Provision for Employee Benefits		
Pension Liability	854.85	999.46
Post Retirement Medical Benefits	129.20	141.01
Jubilee Benefits	129.08	133.55
Provision for Constructive Liability (Note C-14(c))	78.43	67.61
Others	68.21	29.07
	<u>1,259.77</u>	<u>1,370.70</u>

*For details regarding Repayment Terms, Interest Rate and Nature of Security on Long Term Borrowings, Refer Note B 3(a).

NOTE B 3 (A)
DEBENTURES:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2015 ₹ Million		Amount outstanding as at March 31, 2014 ₹ Million		Rate of Interest	Terms of Repayment	Details of Security Offered
		Long Term Borrowings	Current Maturities of Long Term Borrowings	Long Term Borrowings	Current Maturities of Long Term Borrowings			
	1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	-	1,000.00	-	9.40%	Bullet repayment on 10-11-2017	Note A2 & B1
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	1,000.00	1,000.00	-	10.15%	Bullet Repayment on 16-04-2015.	Note A3 & B1
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	10.15%	Bullet Repayment on 29-03-2015.	Note A3 & B1
	1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	416.67	416.67	416.67	11.50%	Redemption in 3 equal instalments of ` 416.67 Million on 02-02-14, 02-02-15 & 02-02-16 respectively.	Note A2 & B1
	2,000 - 10.10 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	2,000.00	10.10%	Bullet Repayment on 30-08-2014	Unsecured
	1,000 - 9.70 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	9.70%	Bullet Repayment on 17-12-2014	Unsecured
Total Debentures		1,000.00	1,416.67	2,416.67	4,416.67			

EXTERNAL COMMERCIAL BORROWINGS FROM BANKS:

Bank 1	ECB II	56.13	112.25	168.38	112.25	9-10%	Repayment in 8 equal installments of USD 1.25 Million half yearly started from 17.12.12.	Note A1 & B1
Bank 2	ECB II	-	-	-	349.99	9-10%	Repayment in 1 half-yearly installment of USD 1.25 Million and then 5 half-yearly installments of USD 3.75 Million from 16.07.12.	Note A1 & B2
	ECB III	134.85	269.70	404.55	269.70	9-10%	Repayment in 2 half yearly installments of USD 2.50 Million and then 5 half yearly installments of USD 3.00 Million from 27.06.13.	Note A1 & B2
Bank 3	ECB I	-	231.10	231.10	231.10	7-8%	Repayment in 4 equal annual installments of USD 5 Million started from 03.08.12.	Note A1 & B2
	ECB II	139.19	139.19	278.38	139.18	9-10%	Repayment in 4 equal annual installments of USD 3.125 Million started from 16.07.13.	Note A1 & B2

Bank 4	ECB I	200.01	99.99	300.00	-	7-8%	Repayment in 3 equal annual installments in USD equivalent to ₹ 100 Million starting from 29.09.15.	Note A1 & B1
	ECB II	288.27	144.11	432.39	-	8-9%	Repayment in 3 equal annual in-stallments of USD 2.90 Million starting from 26.10.15.	Note A1 & B1
Bank 5	ECB I	329.10	162.10	491.20	-	10-11%	Repayment in 3 equal annual in-stallments of USD 3.33 Million starting from 28.09.15.	Note A1 & B1
Total External Commercial Borrowings		1,147.55	1,158.44	2,306.00	1,102.22			

RUPEE TERM LOANS FROM BANKS:

Bank 1	Rupee Term Loans	-	-	333.33	166.67	12%	Prepaid during the year	
Total Rupee Term Loans		-	-	333.33	166.67			

TERM LOANS FROM OTHERS:

IFC	Loan A	677.06	225.69	902.74	225.69	9-10%	Repayment in 12 half yearly install-ments of USD 2.50 Million each started from June 17, 2013.	Note A1 & B2
	Loan B	399.14	199.57	598.71	199.57	9-10%	Repayment in 9 half yearly install-ments of USD 2.22 Million each started from December 16, 2013.	Note A1 & B2
BEML	Loan 1	-	-	412.45	82.49	2.25% lower than prevailing SBI PLR	Prepaid during the year	
Total Term Loans from Others		1,076.20	425.26	1,913.90	507.75			

DEFERRED PAYMENT CREDIT:

Others	Deferred Payment Credit I	107.49	47.84	155.32	44.54	7-8%	Repayment along with Interest in 240 consecutive monthly install-ments started from May 15, 2007.	Wind Mills purchased under the scheme.
	Deferred Payment Credit II	8.15	8.28	12.11	7.97	8-9%	Repayment along with Interest in 20 equal quarterly installments started from April, 2010.	Engineering materials purchased under the scheme
		115.64	56.12	167.43	52.51			

Details of Security Offered to Existing Lenders:

- Note A1

A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Kodakara in Kerala, at Village Limda in Gujarat, at SIPCOT Industrial Growth Centre at Oragadam near Chennai, and at Head Office in Gurgaon, Haryana together with the factory buildings, Plant & machinery & Equipments, both present & future.
- Note A2

A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Kodakara in Kerala and at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.

- Note A3

A pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.
- Note B1

A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
- Note B2

A pari passu first charge on the movable assets and pari passu second charge on the current assets of the company.

B 4 CURRENT LIABILITIES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
SHORT TERM BORROWINGS		
Secured*		
Packing Credit	362.40	299.57
Banks - Cash Credit (Repayable on Demand)	1.16	2.02
Banks Overdraft	-	39.65
Short Term Loan from Banks	-	240.78
Unsecured		
Buyer's Credit - Raw Materials	-	173.80
Banks Overdraft	39.76	664.03
Packing Credit	4,263.04	1,331.34
	<u>4,666.36</u>	<u>2,751.19</u>
TRADE PAYABLES		
Payable to Micro, Small & Medium Enterprises	23.81	21.35
Acceptances	187.79	1,243.50
Accounts Payable - Raw Materials & Services	6,303.68	9,552.12
Freight, Port Charges, CHA Charges Payable	664.56	471.93
Expenses Payable	303.40	426.12
Employee Related Payables**	1,118.24	786.91
Payable to Related Parties	31.67	31.65
Share of joint ventures - jointly controlled entities	7.02	4.05
	<u>8,640.17</u>	<u>12,537.63</u>
OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt***		
Secured		
Debentures		
1,250 - 11.50% Non Convertible Debentures of ₹ 1 Million each	416.67	416.67
1000 - 10.15% Non Convertible Debentures of ₹ 1 Million each	1,000.00	-
1000 - 10.15% Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
	<u>1,416.67</u>	<u>1,416.67</u>
Term Loan from Banks		
External Commercial borrowings (ECB)	1,158.44	1,102.22
Rupee Term Loans	-	166.67
	<u>1,158.44</u>	<u>1,268.89</u>
Term Loan from Others		
International Finance Corporation - Loan A	225.69	225.69
International Finance Corporation - Loan B	199.57	199.57
Bharat Earthmovers Ltd. (BEML)	-	82.49
	<u>425.26</u>	<u>507.75</u>
Finance Lease - Deferred Payment Liabilities		
Deferred Payment Credit I (Note C-20)	47.84	44.54
Deferred Payment Credit II (Note C-20)	8.28	7.97
	<u>56.12</u>	<u>52.51</u>
Unsecured		
Debentures		
2,000 - 10.10% Non Convertible Debentures of ₹ 1 Million each	-	2,000.00
1,000 - 9.70% Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
	<u>-</u>	<u>3,000.00</u>
	<u>3,056.49</u>	<u>6,245.82</u>
Trade Payables Include due to Related Parties (Note C-18)		
Companies in which Directors are interested	<u>31.67</u>	<u>31.65</u>

* Cash Credits, Buyers Credit for Raw Materials and Packing Credit 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 & Machinery and Equipments, both present and future.

** Employee Related Payables includes commission on net profits payable to whole-time directors ₹ 490 Million (₹ 228 Million)

*** For nature of security on Current Maturities of Long Term Debts, Refer Note B 3(a).

B 4 CURRENT LIABILITIES (Continued)

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
OTHER CURRENT LIABILITIES (Continued)		
Interest accrued but not due on borrowings	151.06	231.79
Unclaimed Dividends*	37.50	34.19
Payable to Micro, Small & Medium Enterprises - Capex Vendors	7.21	7.44
Interest payable to Micro, Small & Medium Enterprises	10.58	10.58
Other Payables**		
Accounts Payable - Capital	313.31	416.83
Excise Duty on closing stock	288.15	324.26
Payable to Related Parties	43.15	4.48
Statutory remittances (Contribution to PF & ESIC, VAT, CST, Excise Duty, Custom Duty, Service Tax and others)	1,494.68	1,390.02
Export Obligations - Advance Licence Benefit	7.67	64.05
Security Deposits - Vendors	287.85	330.81
Security Deposits - Dealers / Employees	65.02	51.84
Derivative Financial Liabilities	18.41	8.48
Advance Received From Customers	302.79	408.85
Lease Escalation	0.10	-
Others	<u>342.44</u>	<u>819.92</u>
Gratuity Payable	198.25	48.43
	<u>3,568.17</u>	<u>4,151.97</u>
	<u>6,624.66</u>	<u>10,397.79</u>
SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Compensated Absences	755.25	833.55
Social Premium Payable	454.95	612.12
	<u>1,210.20</u>	<u>1,445.67</u>
Others		
Provision for Contingencies (Note C-14(b))	425.00	425.00
Proposed Dividend on Equity Shares	1,018.05	378.02
Dividend Tax	207.25	64.24
Provision for Taxation	11,451.20	10,158.34
Less: MAT Credit Adjusted	450.13	58.52
Less: Advance Tax	<u>10,315.38</u>	<u>9,464.25</u>
Provision for Wealth Tax	7.00	7.00
Provision for Sales related obligations (Note C-14(a))	2,159.01	2,017.35
Provision for estimated loss on Forward Foreign Exchange Contracts	150.49	67.85
Deferred Revenue	30.32	35.80
Provision for Constructive Liability (Note C-14(c))	22.88	15.38
	<u>4,705.69</u>	<u>3,646.21</u>
	<u>5,915.89</u>	<u>5,091.88</u>
** Other Payables Include due to Related Parties (Note C-18)		
Companies in which Directors are interested	<u>43.15</u>	<u>4.48</u>

*Includes ₹ 3.60 Million (₹ 2.92 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), Mumbai.

B 5 - FIXED ASSETS AS AT MARCH 31, 2015

₹ Million

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK		
	As at March 31, 2014	Additions	Deductions	Exchange rate Adjustment (g)	As at March 31, 2015	As at March 31, 2014	Additions	Deductions/ Adjust-ments	Transferred to surplus in statement of P&L	Exchange rate Adjustment (g)	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS:													
Land													
Freehold Land**	1,846.44	329.50	-	(319.94)	1,856.00	129.34	12.09	-	-	(23.98)	117.45	1,738.55	1,717.10
Leasehold Land*	396.68	-	229.41	4.92	172.19	236.84	1.94	230.24	-	5.02	13.56	158.63	159.84
Buildings**	12,008.72	1,232.13	33.35	(822.58)	12,384.92	3,679.19	588.54	8.77	129.69	(407.78)	3,980.87	8,404.05	8,329.53
Plant & Machinery**	72,932.58	2,167.79	85.31	(6,283.77)	68,731.29	41,762.27	2,546.25	69.46	107.16	(5,024.71)	39,321.51	29,409.78	31,170.31
Electrical Installation	1,419.29	49.62	-	(0.04)	1,468.87	444.20	156.74	-	54.21	(0.04)	655.11	813.76	975.09
Furniture & Fixtures**	2,548.35	135.13	27.50	(240.31)	2,415.67	1,671.11	164.43	33.93	97.28	(198.78)	1,700.11	715.56	877.24
Office Equipments	39.17	3.28	0.38	0.01	42.08	15.36	7.10	0.35	-	0.01	22.12	19.86	23.81
Vehicles**	418.28	158.34	83.51	9.57	502.68	117.11	109.34	37.84	2.78	(2.63)	188.76	313.92	301.17
Plantation Development	59.68	-	61.00	1.32	-	59.68	-	61.00	-	1.32	-	-	-
	91,669.19	4,075.79	520.46	(7,650.82)	87,573.70	48,115.10	3,586.43	441.59	391.12	(5,651.57)	45,999.49	41,574.21	43,554.09
Share of joint ventures - jointly controlled entities	24.05	4.62	-	(4.75)	23.92	7.44	4.01	-	-	(1.79)	9.66	14.26	16.61
Total Tangible Assets	91,693.24	4,080.41	520.46	(7,655.57)	87,597.62	48,122.54	3,590.44	441.59	391.12	(5,653.36)	46,009.15	41,588.47	43,570.70
Previous Year	82,691.06	8,081.34	4,595.09	5,515.93	91,693.24	42,040.21	3,756.71	2,124.25	-	4,449.87	48,122.54	43,570.70	40,650.85

Description of Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at March 31, 2014	Additions	Deductions	Exchange rate Adjustment (g)	As at March 31, 2015	As at March 31, 2014	Additions	Deductions/ Adjustments	Exchange rate Adjustment (g)	As at March 31, 2015	As at March 31, 2014
INTANGIBLE ASSETS:											
Computer Software	1,099.27	23.99	2.80	(117.62)	1,002.84	807.66	95.83	2.06	(100.43)	801.00	201.84
Trademarks	55.13	5.54	-	(9.32)	51.35	45.55	3.88	-	(3.22)	46.21	5.14
Research & Development	1,833.11	552.99(b)	-	(386.93)	1,999.17	1,147.50	184.63	-	(222.31)	1,109.82	889.35
Total Intangible Assets	2,987.51	582.52	2.80	(513.87)	3,053.36	2,000.71	284.34	2.06	(325.96)	1,957.03	986.80
Previous Year	2,527.81	488.66	327.07	298.11	2,987.51	1,485.79	343.39	3.14	174.67	2,000.71	986.80
											1,042.02

₹ Million

Particulars	For the Year Ended	
	March 31, 2015	March 31, 2014
Depreciation and amortisation for the year on tangible assets	3,590.44	3,756.71
Depreciation and amortisation for the year on intangible assets	284.34	343.39
Depreciation on investment property	8.10	8.41
Total	3,882.88	4,108.51

B 5 - FIXED ASSETS AS AT MARCH 31, 2014

₹ Million

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at March 31, 2013	Additions	Deductions	Exchange rate Adjustment (g)	As at March 31, 2014	As at March 31, 2013	Additions	Deductions	Exchange rate Adjustment (g)	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS:												
Land												
Freehold Land	1,559.46	77.70	9.29	218.57	1,846.44	103.91	11.51	4.38	18.30	129.34	1,717.10	1,455.55
Leasehold Land*	377.15	-	-	19.53	396.68	215.37	1.94	-	19.53	236.84	159.84	161.78
Buildings	10,752.28	1,281.33	463.83	438.94	12,008.72	2,991.40	362.35	(29.15)	296.29	3,679.19	8,329.53	7,760.88
Plant & Machinery**	66,504.03	5,514.35	3,855.17	4,769.37	72,932.58	37,383.18	3,125.21	2,822.83	4,076.71	41,762.27	31,170.31	29,120.85
Electrical Installation	1,379.08	40.19	-	0.02	1,419.29	374.09	70.10	-	0.01	444.20	975.09	1,004.99
Furniture & Fixtures	1,674.63	910.82	110.22	73.12	2,548.35	754.55	131.02	(752.89)	32.65	1,671.11	877.24	920.08
Office Equipments	36.04	3.35	0.25	0.03	39.17	13.60	1.88	0.15	0.03	15.36	23.81	22.44
Vehicles	341.37	242.08	156.33	(8.84)	418.28	144.22	49.71	78.93	2.11	117.11	301.17	197.15
Plantation Development	54.49	-	-	5.19	59.68	54.49	-	-	5.19	59.68	-	-
	82,678.53	8,069.82	4,595.09	5,515.93	91,669.19	42,034.81	3,753.72	2,124.25	4,450.82	48,115.10	43,554.09	40,643.72
Share of joint ventures - jointly controlled entities	12.53	11.52	-	-	24.05	5.40	2.99	-	(0.95)	7.44	16.61	7.13
Total Tangible Assets	82,691.06	8,081.34	4,595.09	5,515.93	91,693.24	42,040.21	3,756.71	2,124.25	4,449.87	48,122.54	43,570.70	40,650.85

INTANGIBLE ASSETS:											
Computer Software	982.84	79.00	39.20	76.63	1,099.27	620.00	103.37	(29.31)	54.98	807.66	291.61
Trademarks	177.87	196.43	287.87	(21.30)	55.13	73.63	26.68	32.45	(22.31)	45.55	9.58
Research & Development	1,367.10	223.23	-	242.78	1,833.11	792.16	213.34	-	142.00	1,147.50	685.61
Total Intangible Assets	2,527.81	488.66	327.07	298.11	2,987.51	1,485.79	343.39	3.14	174.67	2,000.71	986.80
											1,042.02

- *

Leasehold Land is Net of ₹ 9.59 Million (₹ 9.59 Million) subleased to Classic Auto Tubes Ltd., a company in which directors are interested during the year 2009-10.
- **

Plant & Machinery, Land, Buildings, Furniture & Fixtures and Vehicles includes Fixed Assets Held for Sale with a Gross Book Value of ₹ 2,198.19 Million (₹ 38.52 Million), ₹ 115.44 Million (Nil), ₹ 365.80 Million (Nil), ₹ 68.23 Million (Nil) & ₹ 2.03 Million (Nil) and a Net Book Value of ₹ 824.10 Million (Nil), ₹ 115.44 Million (Nil), ₹ 200.65 Million (Nil), ₹ 11.39 Million (Nil) & ₹ 0.19 Million (Nil) respectively.
- Plant & Machinery includes Jointly Owned Assets with a Gross Book Value of ₹ 254.87 Million (₹ 187.68 Million) and a Net Book Value of ₹ 231.21 Million (₹ 177.77 Million).
- Plant & Machinery includes assets taken on Finance Lease with a Gross Book Value of ₹ 400.00 Million (₹ 400.00 Million) and a Net Book Value of ₹ 233.61 Million (₹ 250.40 Million).
- (a)

Represents proportionate lease premium ₹ 1.94 Million (₹ 1.94 Million) amortized.
- (b)

Buildings include ₹ 90.26 Million (₹ 151.72 Million), Plant & Machinery includes ₹ 66.43 Million (₹ 14.20 Million), Electrical Installations include ₹ 2.79 Million (₹ 11.52 Million), Furniture & fittings include ₹ 8.03 Million (₹ 8.70 Million) and Research and Development includes ₹ 552.99 Million (₹ 223.23 Million) for capital expenditure on Research & Development (Note C-9).
- (c)

Includes directly attributable expenses capitalized to the extent of ₹ 27.65 Million (₹ 115.81 Million) including Nil (₹ 13.36 Million) capitalized from CWIP of previous year (Note C-11)
- (d)

Includes provision for impairment amounting to Nil (₹ 35.31 Million) on certain items of Buildings & Plant & Machinery recognised in the Consolidated Statement of Profit and Loss during the year.
- (e)

Buildings include Buildings constructed on Leasehold Land with a Gross Book Value of ₹ 6,782.11 Million (₹ 6,673.53 Million) and Net Book Value of ₹ 5,213.50 Million (₹ 5,632.48 Million).
- (f)

Plant & Machinery is reduced by ₹ 3.00 Million being ETP Subsidy received from the Government of Tamilnadu.
- (g)

Represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening and closing conversion rates.

B 6 NON CURRENT INVESTMENTS (AT COST)

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
TRADE INVESTMENTS		
(a) Investment in Equity Instruments (Quoted): *		
16,394 (16,934) Equity Shares of ₹ 10/- each in Bharat Gears Ltd. - Fully paid up	0.36	0.36
Nil (86,867,731) Ordinary Shares in National Tyre Service, Zimbabwe	-	49.00
	0.36	49.36
(b) Investment in Equity Instruments (Unquoted):*		
312,000 (312,000) Equity Shares of ₹ 10 each in Green Infra Wind Power Projects - Fully paid up	3.12	3.12
5,500 (5,500) Equity Shares of ₹ 10 each in Suryadev Alloys and Power Pvt Ltd - Fully paid up	0.59	0.59
OTHER NON CURRENT INVESTMENTS (NON TRADE):		
(a) Investment in Mutual Funds**		
Units of "UTI Balanced Fund - Dividend Plan - Reinvestment" *** (Face Value of ₹ 10/- each)	2.60	2.10
(b) Others		
(i) Investment in 5,000 (5,000) Equity Shares of ₹ 100/- each in Apollo Tyres Employees Multipurpose Co-operative Society Limited	0.50	0.50
(ii) Nil (500,000) Ordinary Shares in RADUN Investment (Private) Ltd, Zimbabwe	-	12.35
(iii) Investment Property	463.10	569.19
(Net of accumulated depreciation of ₹ 24.64 Million (₹ 16.54 Million))	470.27	637.21
* Aggregate amount of quoted investments		
Aggregate market value of listed and quoted investments	1.19	88.48
Aggregate amount of unquoted Investments	6.81	18.66
** No. of units at the beginning of the year - 161,826 (161,826)		
Add: Reinvestment of dividend during the year - 17,736 (Nil)	0.50	-
No. of units at the end of the year - 179,562 (161,826)	2.60	2.10
*** Repurchase price of units		
	5.23	4.09

B 7 LONG TERM LOANS & ADVANCES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
Long-Term Loans & Advances:		
Unsecured, Considered Good		
Capital Advances - Others	628.21	294.63
Capital Advances to Related Parties	79.60	123.89
Doubtful Capital Advances	134.18	134.18
Less: Provision for Doubtful Advances	134.18	134.18
	<u>707.81</u>	<u>418.52</u>
Security Deposits	636.84	381.19
Security Deposits to Related Parties	418.01	418.01
Other Deposit	126.85	140.88
Employee Advances - Salary Loan	15.05	10.09
Other Loans and Advances - Excise Duty Recoverable	2.57	2.57
Share of joint ventures - jointly controlled entities	0.24	0.30
	<u>1,907.37</u>	<u>1,371.56</u>
Includes Advances given to Related Parties (Note C-18)		
Companies in which Directors are interested	<u>497.61</u>	<u>541.90</u>
B 8 OTHER NON-CURRENT ASSETS		
Investment promotion Subsidy Receivable from Government of Tamil Nadu (Note C-4)	360.18	214.14
	<u>360.18</u>	<u>214.14</u>
B 9 CURRENT INVESTMENTS		
Non Trade Investment		
Investment in Mutual Funds*	1,000.00	-
	<u>1,000.00</u>	<u>-</u>

* Particulars	No. of Units	Value (₹ Million)	NAV
SBI	20,000,000	200.00	10.8282
ICICI	25,000,000	250.00	10.8336
Reliance	5,000,000	50.00	10.8027
Birla (Scheme1)	25,000,000	250.00	10.8358
Birla (Scheme 2)	25,000,000	250.00	10.8294
	100,000,000	1,000.00	

B 10 CURRENT ASSETS

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
(a) INVENTORIES:		
(valued at lower of cost and net realizable value)		
(i) Raw Materials:		
In Hand	3,514.72	4,616.72
In Transit	94.76	163.73
	<u>3,609.48</u>	<u>4,780.45</u>
(ii) Work-in-Progress #	936.04	1,130.24
(iii) Finished Goods:		
In Hand	9,099.19	10,787.94
In Transit	1,129.80	954.73
	<u>10,228.99</u>	<u>11,742.67</u>
(iv) Bought Out Material / Stock in Trade:		
In Hand	1,399.96	1,467.65
In Transit	280.91	203.84
	<u>1,680.87</u>	<u>1,671.49</u>
(v) Stores and Spares	1,326.68	1,339.39
	<u>17,782.06</u>	<u>20,664.24</u>
(b) TRADE RECEIVABLES - UNSECURED		
Outstanding for a period exceeding six months from the date they were due for payment:		
Considered Good	1.12	1.25
Considered Doubtful	314.59	410.88
Others - Considered Good*	9,588.31	10,425.42
	<u>9,904.02</u>	<u>10,837.55</u>
Less: Provision for Doubtful Trade Receivables	314.59	410.88
	<u>9,589.43</u>	<u>10,426.67</u>
* Trade Receivables Include due from Related Parties (Note C-18)		
Companies in which Directors are interested	<u>113.49</u>	<u>158.04</u>
(c) CASH AND CASH EQUIVALENTS**		
(i) Cash on hand	1.77	3.01
(ii) Cheques on hand	1,180.64	874.32
(iii) Remittances in Transit	452.55	494.80
(iv) Balances with Banks:		
Current Accounts	4,037.86	2,699.72
Other Deposit Accounts		
- Original Maturity 3 months or less	196.16	2,375.63
(v) Other Bank Balances:		
Unpaid Dividend Accounts	35.91	32.45
Unclaimed Deposits Accounts	1.07	1.07
Deposits with Maturity exceeding 3 Months***	39.94	58.81
Share of joint ventures - jointly controlled entities	-	0.69
	<u>5,945.90</u>	<u>6,540.50</u>

** Out of the above balance of Cash & Cash Equivalents, the balance that meets the definition of Cash & Cash Equivalents as per AS-3, Cash Flow Statements is ₹ **5,868.98 Million** (₹ 6,448.17 Million).

*** Includes Deposit of ₹ **37.97 Million** (₹ 53.83 Million) pledged with a bank against which working capital loan has been availed by Apollo Finance Ltd, a company in which directors are interested.

Includes deposits of ₹ **1.97 Million** (₹ 1.97 Million) which have an original maturity of more than 12 months.

Work in Progress consists of Automotive Tyres only.

B 11 SHORT TERM LOANS & ADVANCES

	As at March 31, 2015 ₹ Million	As at March 31, 2014 ₹ Million
Short-Term Loans & Advances:		
Unsecured, Considered Good		
Advances given to Related Parties	45.68	80.63
Others:		
Trade Advances	716.76	1,003.09
Employee Advances	129.42	105.47
CENVAT Recoverable	102.93	163.98
VAT Recoverable	565.83	652.18
Service Tax Recoverable	91.05	75.51
Export Incentives Recoverable	167.87	252.20
Prepaid Expenses	233.97	264.71
Others	337.22	658.66
	<u>2,390.73</u>	<u>3,256.43</u>
Considered Doubtful	20.56	20.56
	<u>2,411.29</u>	<u>3,276.99</u>
Less: Provision for Doubtful Advances	<u>20.56</u>	<u>20.56</u>
	<u>2,390.73</u>	<u>3,256.43</u>
 MAT Credit Entitlement availed	450.13	508.65
Less: MAT Credit utilised	<u>(450.13)</u>	<u>(58.52)</u>
	<u>2,390.73</u>	<u>3,706.56</u>
 Advances given to Related Parties (Note C-18)		
Companies in which Directors are interested	<u>45.68</u>	<u>80.63</u>

B 12 OTHER CURRENT ASSETS

Derivative Financial Assets	-	3.99
Investment promotion Subsidy Receivable from Government of Tamilnadu (Note C-4)	375.00	375.00
Interest Accrued on Deposits	0.96	1.07
	<u>375.96</u>	<u>380.06</u>

B 13 OTHER OPERATING INCOME

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
Investment promotion Subsidy from Government of Tamil Nadu (Note C-4)	521.04	939.14
Tyres Development Fees received from customers	-	42.16
Early Payment Discount Received from Raw Material Suppliers	74.45	35.22
	<u>595.49</u>	<u>1,016.52</u>

B 14 OTHER INCOME**(a) Interest earned on Deposits:**

- Bank	101.75	189.14
- Others	13.85	32.76

(b) Dividend Income from Long Term Investments:

Bharat Gears Ltd.	0.02	0.03
Unit Trust of India	0.50	-
	<u>0.52</u>	<u>0.03</u>

(c) Dividend Income from Short Term Investments:

Mutual Funds	25.78	92.54
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(d) Other Non-Operating Income:

Unclaimed Credit Balances / Provisions no longer required written back	20.00	26.37
Technical Aid Fees	9.25	16.20
Gain on Foreign Exchange Fluctuation (Net)	111.01	110.09
Miscellaneous Receipts	255.83	511.33
	<u>396.09</u>	<u>663.99</u>
	<u>537.99</u>	<u>978.46</u>

B 15 MANUFACTURING AND OTHER EXPENSES

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
Cost of Materials Consumed		
Raw Materials Consumed	64,186.16	71,290.66
Less: Scrap Recoveries	301.77	223.18
	<u>63,884.39</u>	<u>71,067.48</u>
Purchase of Stock-in-Trade		
Purchase of Finished Goods - Tyres, Tubes & Flaps	5,869.17	6,964.58
Employee Benefit Expenses		
Salaries and Wages	13,048.75	12,783.40
Contribution to Provident and Other Funds (Note C-12)	2,144.31	2,064.33
Welfare expenses	848.77	872.98
Employees Stock Appreciation Rights (Note C-12)	3.58	78.55
Add: Share in Joint Venture	24.97	12.68
	<u>16,070.38</u>	<u>15,811.94</u>
Other Expenses		
Consumption of stores and spare parts ¹	1,155.77	1,233.48
Power and Fuel ²	3,513.54	3,785.23
Conversion Charges	1,053.25	1,095.18
Repairs and Maintenance		
- Machinery	646.00	693.13
- Buildings	34.57	42.15
- Others	964.12	844.47
Rent ³	303.12	285.80
Lease Rent - Factory / Service Charges (Note C-19)	1,249.95	1,213.74
Insurance	184.27	215.61
Rates and Taxes	197.12	230.75
Directors' Sitting Fees	7.42	4.36
Commission to Non-Wholetime Directors	50.00	30.00
Loss on Sale of Tangible Fixed Assets (Net)	23.86	29.61
Travelling, Conveyance and Vehicle Expenses	1,329.36	1,357.28
Postage, Telex, Telephone and Stationery	222.64	246.82
Conference Expenses	302.05	120.39
Freight and Forwarding	4,236.60	3,990.64
Commission on Sales	60.52	72.44
Sales Promotion Expenses	921.47	525.66
Advertisement and Publicity	1,992.48	2,227.02
Corporate Social Responsibility Expenses (Note C-15) ⁴	57.37	37.38
Research and Development (Note C-9)	1,713.91	1,380.85
Bank Charges	63.17	92.20
Statutory Auditors Remuneration (Note C-10)	57.05	60.01
Doubtful Receivables / Advances Written off	40.20	175.62
Less: Transferred from Provision	-	(17.13)
Legal and Professional Expenses	740.49	656.05
Provision for Contingencies (Note C-14(b))	-	425.00
Miscellaneous Expenses	694.68	740.99
Share of joint ventures - jointly controlled entities	32.95	37.33
	<u>21,847.93</u>	<u>21,832.06</u>
	<u>107,671.87</u>	<u>115,676.06</u>

Notes:

1 Stores & Spares Consumed includes stores issued for repairs ₹ 2.63 Million (₹ 1.55 Million).

2 Power and Fuel includes Stores Consumed ₹ 523.11 Million (₹ 668.08 Million).

3 Net of Rent Received ₹ 1.45 Million (₹ 1.47 Million).

4 Corporate Social Responsibility Expenses includes ₹ 0.55 Million available as on March 31, 2015 with the implementation partner to be deployed in due course.

B 16 FINANCE COSTS

	Year Ended March 31, 2015 ₹ Million	Year Ended March 31, 2014 ₹ Million
(a) Interest Expense:		
Interest on Fixed-Term Loans	524.67	998.33
Interest on Debentures	536.79	736.72
Interest on Other Loans	711.33	1,036.78
(b) Other Borrowing Costs	55.06	65.47
Share of joint ventures - jointly controlled entities	0.05	0.64
	<u>1,827.90</u>	<u>2,837.94</u>

C OTHER NOTES ON ACCOUNTS:

1 Contingent Liabilities

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Sales Tax	76.17	111.92
Income Tax	451.30	180.46
Claims against the Company not acknowledged as debts		
- Employee Related	48.64	51.02
- Others	92.32	32.52
Provision of Security (Bank Deposits pledged with a Bank against which working capital loan has been availed by Apollo Finance Ltd. , a Company in which directors are interested)	37.97	53.83
Excise Duty*	57.93	363.55

* Excludes demand of ₹ 532.12 Million (₹ 532.12 Million) raised on one of the Company's units relating to issues which have been decided by the Appellate Authority in Company's favour in appeals pertaining to another unit of the Company. Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

Amount invloved in appeals which have been decided by Appellate authorities in company's favour but on which the department has gone on further appeal of ₹ 441.66 Million (₹ 441.66 Million).

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.

2 Commitments

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Estimated amount of contracts remaining to be executed on capital account & not provided for	32,864.67	2,684.31
TOTAL	32,864.67	2,684.31

3 The Company has international transactions with related parties. For the current year, the management confirms that it maintains documents as prescribed by the Income tax Act, 1961 to prove 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.

4 Investment Promotion Subsidy from Government of Tamilnadu

The Company has established radial tyre manufacturing facility in SIPCOT Industrial Park, Oragadam near Chennai and availed incentives from the State Government of Tamil Nadu for establishing such project. The construction of first phase of the new green field radial tyre plant was completed as per project schedule, which commenced operations from March 11, 2010. The Truck/ Bus radial segment has commenced operations from May 11, 2010.

Pursuant to the Memorandum of Understanding (MoU) dated August 7, 2006 read along with a Supplementary MOU dated January 11, 2011, executed between the Government of Tamil Nadu (GoTN) and the Company, GoTN sanctioned a Structured Package of Assistance to the Company in terms of the New Industrial Policy, 2007. As per this Structured Package of Assistance, the Company is entitled, interalia, for refund of an amount equal to Net Output VAT + CST paid by the Company to GoTN in the form of Investment Promotion Subsidy for a period of 14 years (which can be extended by another 4 years), from the date of commencement of commercial production or till the cumulative availment of the said subsidy reaches 50% of the investment made in eligible fixed assets during the approved investment period as defined by the MoU, whichever is earlier. This eligibility is subject to fulfillment of certain obligations by the Company.

The Company fulfilled the relevant obligations during the previous year and the Company has recognized subsidy income of ₹ 521.04 Million (₹ 939.14 Million) as other operating income (refer note B11), being the eligible amount of refund of Net Output VAT + CST paid by the Company to GoTN. Subsidy recorded during the previous year represents subsidy from the date of commencement of commercial production till March 31, 2014. Based on the legal opinion obtained by the Company, the said subsidy is considered non-taxable capital receipt.

5 Capital Subsidy

As per New Industrial Policy 2007, new and expansion units investing ₹ 2,000 Million and above and employing more than 400 direct workers will be eligible for a back ended capital subsidy of ₹ 15 Million. Further manufacturing units located within a SIPCOT Industrial park will be eligible for an additional 50% capital subsidy over and above

the eligible limit. During the year, the Company received the capital subsidy of ₹ 22.50 Million on fulfilling the eligibil-ity conditions which has been credited to capital subsidy disclosed under Reserves & Surplus.

6 Exceptional Items

During the year, Apollo Tyres Africa (Pty) Limited, a subsidiary operating in South Africa has undertaken the follow-ing activities in connection with its restructuring process:

a) Initiated Business Rescue Proceedings and the Rescue Plan was approved on November 05, 2014 and the plant was closed on November 30, 2014. All dues to bankers and external suppliers have been paid in full as per the Rescue plan. A separate retrenchment agreement for employees' due was also signed with their representatives on January 30, 2015 and the entire liability of ₹ 751.73 Million under this agreement has been fully discharged.

b) Disposed off its investment in UK ATL Holdings Limited and recorded a profit of ₹ 143.86 Million. As part of the sale agreement, the Company has agreed not to have any claim against receivables from one of its subsidiary Apollo Tyres Zimbabwe and has, accordingly, written off debts amounting to ₹ 140.43 Million.

c) It has evaluated marketability of inventory and written off of Inventory worth ₹ 76.60 Million in the books.

Exceptional item of ₹ 467.86 Million during the previous year represents expenses aggregating to ₹ 2,326.30 Million in connection with the proposed acquisition of Cooper Tire & Rubber Company (Cooper) which was terminated by Cooper on December 30, 2013 net of Profit on sale of Ladysmith plant in South Africa amounting to ₹ 1,858.44 Million.

7 Issue of Shares on Conversion of Share Warrants:

The company had allotted 5,000,000 warrants, convertible into 5,000,000 equity shares of ₹ 1 each to a promoter Group Company on 21st December 2012, on a preferential allotment basis, pursuant to Section 81 (1A) of the Companies Act, 1956, at a conversion price of ₹ 86.20 per share determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. An amount equivalent to 25% of the price aggregating to ₹ 107.75 Million was received on allotment of the warrants in the previous year. On receipt of the balance amount of ₹ 323.25 Million on June 19, 2014, the company has allotted 5,000,000 equity shares of ₹ 1 each as a premium of ₹ 85.20 per share.

8 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the company revised the estimated useful life of its assets to align the useful life with those specified in schedule II.

Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the assets is determined to be nil as on April 1, 2014 and has adjusted an amount of ₹ 258.18 Million (net of deferred tax of ₹ 132.94 Million) against the opening surplus balance in the Condolidated Statement of Profit & Loss under Reserves & Surplus.

The depreciation expense in the Condolidated Statement of Profit & Loss for the year is lower by ₹ 64.95 Million consequent to the change in the useful life of the assets.

9 Research and Development comprises of the following:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
(A) Revenue Expenditure		
Materials	84.86	98.57
Employee Benefit Expenses	903.51	745.80
Travelling Expenses	85.21	13.10
Others	640.33	523.38
SUB - TOTAL	1,713.91	1,380.85
(B) Capital Expenditure	720.50	409.37
TOTAL (A+B)	2,434.41	1,790.22

10 Statutory Auditors' Remuneration:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
For Audit	50.20	52.72
For Company Law matters	0.40	0.30
For Other Services	2.60	4.79
For Quarterly Review and Certification	3.85	2.20
TOTAL	57.05	60.01

11 Directly attributable expenses capitalised / included in capital work in progress during the year:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Raw Materials Consumed	10.76	15.39
Salaries, Wages and Bonus	3.35	63.86
Contribution to Provident and Other Funds	-	4.22
Welfare Expenses	4.94	4.51
Rent	1.45	0.78
Travelling, Conveyance and Vehicle expenses	4.04	4.56
Postage, Telex Telephone and Stationery	0.20	0.26
Power Expenses	1.64	3.40
Legal & Professional Expenses	0.55	0.33
Miscellaneous Expenses	0.72	5.14
Total	27.65	102.45

12 Employee Benefits

A. Indian Operations

Defined Contribution Plans:

a. Superannuation Plan: The Company contributes a sum equivalent to 15% of the eligible employees salary to a superannuation fund administered and maintained by 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 ₹ **59.83 Million** (₹ 57.15 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 contribution 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 recognizes such obligation as an expense.

The amount of contribution made by the Company to Employees Provident Fund Trust/Regional Provident Fund is ₹ **215.96 million** (₹ 192.37 million)

Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

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:

Net employee benefit expenses

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Current service cost	56.39	44.92
Interest cost on benefit obligation	61.01	48.46
Expected return on plan assets	(57.95)	(54.39)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial loss recognized in the year	138.80	9.44
Expense recognized in the Consolidated Statement of Profit and Loss	198.25	48.43

Actual Contribution and Benefit payments for the year

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Actual Contributions	48.72	45.18
Actual Benefit Payments	(82.66)	(65.81)

Consolidated Balance Sheet:

Net Asset / (Liability) recognised in the Consolidated Balance Sheet including experience adjustment impact

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million	2012-13 ₹ Million	2011-12 ₹ Million	2010-11 ₹ Million
Present value of defined benefit obligation at the end of the year	852.80	681.75	646.17	603.76	519.73
Fair value of plan assets at the end of the year	654.55	633.32	600.99	527.65	437.82
Asset/(Liability) recognized in the consolidated balance sheet	(198.25)	(48.43)	(45.18)	(76.11)	(81.91)
Experience Adjustment of obligation - (Gain) / Loss	75.99	30.02	9.36	42.04	51.03
Experience Adjustment of plan assets - Gain / (Loss)	(1.85)	(3.84)	0.31	1.75	2.36

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Present value of obligations as at the beginning of the year	681.75	646.17
Interest cost	61.02	48.46
Current service cost	56.39	44.92
Benefits paid	(82.67)	(65.81)
Actuarial loss on obligation	136.31	8.01
Present value of obligations as at the end of the year	852.80	681.75

Changes in the fair value of plan assets are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Fair value of plan assets at beginning of the year	633.32	600.99
Expected return on plan assets	57.95	54.39
Contributions	48.44	45.18
Benefits paid	(82.67)	(65.81)
Actuarial gain on plan assets	(2.49)	(1.43)
Fair value of plan assets as at the end of the year	654.55	633.32

The Group's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not presently ascertained.

Principal actuarial assumptions for Gratuity:

PARTICULARS	2014-15 Rate (%)	2013-14 Rate (%)
a) Discount rate	8.00	8.95
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	9.15	9.05

* 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 ₹ **98.72 Million** (₹ 68.07 Million).

Demographic Assumptions for Gratuity:

PARTICULARS	2014-15	2013-14
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-08)	IALM (2006-08)
c) Ages	Withdrawal Rate (%)	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

Other Long Term Employee Benefits:

Long Term Compensated Absences

Actuarial Assumptions for Long term compensated absences:

PARTICULARS	2014-15 Rate (%)	2013-14 Rate (%)
a) Discount rate	8.00	8.95
b) Future salary increase*	6.00	6.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions for Long term compensated absences:

PARTICULARS	2014-15 Rate (%)	2013-14 Rate (%)
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-08)	IALM (2006-08)
c) Ages	Withdrawal Rate (%)	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

Employees Phantom Stock Plan 2010

- a) During the year 2010-11, the company had announced Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) for the eligible employees of the company. Under the scheme, 1,200,000 phantom stock units have been granted on 1st April 2010, 900,000 Phantom stock units have been granted on 1st April 2011 and another 75,000 Units have been granted on 1st April 2012 by the board appointed committee. All three options will be vested as per the following schedule:

Percentage of Grant	Vesting Schedule
25%	On 1st anniversary of respective grant date
25%	On 2nd anniversary of respective grant date
25%	On 3rd anniversary of respective grant date
25%	On 4th anniversary of respective grant date

Pursuant to the above scheme, the eligible employees are entitled to get cash compensation upon exercise of the phantom stock unit within seven years of the vesting date.

- b) Details of the expense recognized during the year and outstanding phantom stock units of the Company under the Phantom Stock Plan 2010 are as under:

PARTICULARS	As at March 31,2015			As at March 31, 2014		
Date of Grant	01.04.2010	01.04.2011	01.04.2012	01.04.2010	01.04.2011	01.04.2012
Phantom Stock Units Outstanding	-	291,250	75,000	300,000	552,500	75,000
Phantom Stock Units exercised	1,200,000	608,750	-	900,000	347,500	-
Exercise Price of Share (₹)	-	50.00	50.00	50.00	50.00	50.00
Market Price of Share (₹)	-	168.25	168.25	159.30	159.30	159.30
Fair Value of Share (₹)	-	126.77	125.76	116.95	117.25	118.19
Amount charged to Consolidated Statement of Profit & Loss (Included in Note - B 13 - Employee Benefits Expense)	-	₹ 3.09 Million	₹ 0.49 Million	₹ 27.24 Million	₹ 46.12 Million	₹ 5.19 Million
Liability as on 31.03.2015 (Included in Note - B 4 (Trade Payables))	-	₹ 37.74 Million	₹ 8.31 Million	₹ 32.79 Million	₹ 54.24 Million	₹ 6.50 Million

Phantom Stock outstanding units summary sheet is as follows -

PARTICULARS	2014-15	2013-14	2012-13
Opening Phantom Stock Units	927,500	1,486,250	2,030,000
Number of Units issued during the year	-	-	75,000
Number of Units Vested during the year	561,250	558,750	618,750
Closing Phantom Stock units	366,250	927,500	1,486,250

The details of Variables used for Fair Valuation are given in the table below:

Grant date	April 1, 2010			
Remeasurement date	Vest 1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2011	April 1, 2012	April 1, 2013	April 1, 2014
Variables	The options from Vest 1 ,Vest 2, Vest 3 & Vest 4 have been completely exercised and therefore don't have to be valued			
Stock Price (₹)				
Volatility				
Risk-Free Rate				
Exercise Price (₹)				
Time To Maturity (In Years)				
Dividend yield				
Fair Value per vest (₹)				
Vesting %				
Option Fair Value (₹)				

Grant date	April 1, 2011			
Remeasurement date	Vest 1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2012	April 1, 2013	April 1, 2014	April 1, 2015
Variables	The Options from Vest 1 & Vest 2 have been completely exercised and therefore don't have to be valued		168.25	168.25
Stock Price (₹)			42.67%	42.67%
Volatility			7.82%	7.80%
Risk-Free Rate			50.00	50.00
Exercise Price (₹)			3.00	3.51
Time To Maturity (In Years)			0.86%	0.86%
Dividend yield				
Fair Value per vest (₹)			127.40	126.14
Vesting %			50.00%	50.00%
Option Fair Value (₹)			126.77	

Grant date	April 1, 2012			
Remeasurement date	Vest 1	Vest 2	Vest 3	Vest 4
March 31, 2015	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Variables				
Stock Price (₹)	168.25	168.25	168.25	168.25
Volatility	43.58%	42.52%	42.67%	43.19%
Risk-Free Rate	7.83%	7.82%	7.81%	7.80%
Exercise Price (₹)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	2.50	3.00	3.51	4.51
Dividend yield	0.86%	0.86%	0.86%	0.86%
Fair Value per vest (₹)	124.02	125.02	126.04	127.96
Vesting %	25.00%	25.00%	25.00%	25.00%
Option Fair Value	125.76			

Phantom Stock Scheme - Proforma Statement of Consolidated Statement of Profit and Loss and EPS

Had compensation cost for the Phantom Stock units granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

PARTICULARS	2014-15	2013-14
Impact on Net Profit (₹ Million)		
Net Profit (As reported)	9,776.09	10,050.58
Add:- Cash based employee compensation expense included in net profit	3.58	78.55
Less:- Cash based compensation expense determined under fair value based method (Proforma)	49.02	70.81
Net Profit (Proforma)	9,730.65	10,058.32
Impact on Earnings per Share (₹)		
Basic Earnings per Share of ₹ 1 Each (As reported)	19.25	19.94
Basic Earnings per Share of ₹ 1 Each (Proforma)	19.16	19.96
Diluted		
Diluted Earnings per Share of ₹ 1 Each (As reported)	19.23	19.91
Diluted Earnings per Share of ₹ 1 Each (Proforma)	19.14	19.93

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant.

B. South Africa Operations

Apollo Durban (Pty) Ltd

Post-employment medical obligation

The Group's liability in respect of the post-employment medical obligation has been actuarially valued at ₹ **129.20 Million** (₹ 141.01 Million) at March 31, 2015. The actuarial valuation performed has been based on the following assumptions:

a) a health care cost inflation rate of **7.60 %** p.a. (7.60 % p.a)

b) a discount rate of **8.60 %** p.a. (8.60 % p.a)

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Opening Balance	141.01	165.22
Interest cost recognized in income statement in current period	8.47	11.72
Health care cost inflation	-	-
Benefit Payments	(10.57)	(15.25)
Actuarial loss (gain) recognized in consolidated statement of profit and loss in current period	2.16	2.19
Miscellaneous (including basis and data changes)	(11.87)	(22.87)
Closing balance	129.20	141.01

Sensitivity of healthcare cost

For every 1/2% strengthening/weakness of investment returns, relative to medical aid inflation, the liability is calculated to decrease/increase by ₹ **4.67/5.08 Million** (₹ 5.10/5.66 Million) from the reported level of ₹ **129.20 Million** (₹ 141.01 Million). Similarly for every 1% increase/decrease in medical aid inflation, relative to investment returns, the liability is calculated to increase/decrease by ₹ **8.82/8.30 Million** (₹ 10.76/9.06 Million).

C. European Operations

Apollo Tyres Cooperatief U.A. has as at March 31, 2015 one defined benefit plan. The pension liability as recorded in the consolidated balance sheet relates to the defined benefit plan of Apollo Vredestein GmbH and the contributions related to the defined contribution plan of Apollo Vredestein in the B.V. Netherlands. For the defined benefit plan of Apollo Vredestein Gmbh an actuarial calculation was performed by an actuary of a certified actuarial firm.

Extracts of latest balance sheet of the funds are as follows :

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Pension liabilities		
Defined benefit plan	582.79	538.39
Defined contribution plan	272.07	461.07
At end of the year	854.85	999.46

PARTICULARS	2014-15	2013-14
Assumptions Apollo Vredestein GMBH		
Active employee members		
Number	35	38
Average age	46.6	46.6
Average future service	15.1	15.1
Inflation	1.75%	1.75%
Indexation non-active members	1.75%	1.75%
Mortality table	Heubeck 2005G	Heubeck 2005G
Individual Salary Increase (dependent on age)	3%	3%
Discount rate	3.10%	3.10%

Consolidated Statement of Profit and Loss:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Net employee benefit expenses (recognized in employee cost)		
Current service cost	12.34	15.00
Interest cost on benefit obligation	15.44	16.94
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	148.33	1,531.05
Administration Cost	-	-
Net benefit expense	176.11	1,562.99

Consolidated Balance Sheet:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of funded obligation at the end of the year	(582.75)	(538.36)
Fair value of plan assets at the end of the year	-	-
Asset/(Liability) recognized in the consolidated balance sheet	(582.75)	538.36
Experience Adjustment of obligation - (Gain) / Loss	-	-
Experience Adjustment of plan assets - Gain /(Loss)	-	-

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Present value of obligations as at the beginning of the year	538.36	383.13
Interest cost	15.44	16.94
Current service cost	12.34	15.00
Contribution by employees	(18.70)	(18.61)
Benefits paid	148.33	49.48
Actuarial (gain)/loss on obligation	(113.02)	92.42
Settlement of the obligation	-	-
Present value of obligations as at the end of the year	582.75	538.36

13(a) The components of Deferred Tax Liabilities (Net) are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Deferred Tax Liabilities on timing differences arising on:		
Depreciation	5,215.10	5,091.22
Others	325.11	483.81
Sub Total (A)	5,540.21	5,575.03
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	2.60	3.75
Provision for Gratuity and Leave Encashment	113.87	92.74
Provision for Doubtful Debts / Advances	15.56	15.29
Other Provisions	-	95.45
Assessed loss	-	0.91
Others	199.23	8.47
Sub Total (B)	331.26	216.61
Net Deferred Tax Liabilities (A-B)	5,208.95	5,358.42

The components of Deferred Tax Assets (Net) are as follows:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Deferred Tax Assets on timing differences arising on:		
Assessed loss	217.05	17.46
Others	252.53	99.54
Sub Total (A)	469.58	117.00
Deferred Tax Liabilities on timing differences arising on:		
Tangible Fixed Assets	144.94	-
Others	27.69	-
Sub Total (B)	172.63	-
Net Deferred Tax Assets (A-B)	296.95	117.00

13(b) The provision for tax for the year has been determined based on the provisions of other than 115JB of the Income Tax Act, 1961. For determining the said provision, the Company has considered deduction under section 35 (2AB) in respect of the expenditure incurred for its R&D activities in the R&D Centre at Chennai, although the Company's application for the approval of this center is pending before DSIR, as the Company is confident of obtaining the approval before filing the return of income for the financial year 2014-15.

14 a) Provision for Sales Related Obligation represents estimates for payments to be made in future. Major portion of these costs is estimated to be paid in the next financial year and will be paid within a maximum of 3 years from the balance sheet date.

₹ Million

Opening Balance as at 01.04.2014	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at 31.03.2015
2,017.35	4,065.47	3,923.80	2,159.01

14 b) The Company carries a general provision for contingencies towards various claims against the Company not recognised as debt.

₹ Million

Opening Balance as at 01.04.2014	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at 31.03.2015
425.00	-	-	425.00

14 c) Provision for constructive liability arising on account of lease contracts which are payable over the period of 7 years are as follows.

₹ Million

Opening Balance as at 01.04.2014	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at 31.03.2015
82.99	36.36	18.04	101.31

15 Expenditure towards Corporate Social Responsibility (CSR) Activities:

₹ Million

Nature of Activities	Implementing Agency/ Partner	Amount
Promoting Preventive Health	Apollo Tyres Foundation	30.96
Ensuring environmental sustainability	Apollo Tyres Foundation	7.74
Livelihood enhancement projects	Apollo Tyres Foundation	3.31
Rural Development projects	Apollo Tyres Foundation	3.85
Promoting Education	Apollo Tyres Foundation	1.88
Promoting Preventive Health	Zeus Charitable Foundation	3.00
Promoting Education	Zeus Charitable Foundation	3.21
Eradication hunger, poverty & malnutrition	Zeus Charitable Foundation	0.07
Contribution to Corpus of a trust created exclusively for undertaking CSR activities		0.10
		54.12
Add: Administrative Cost @5%		2.70
	Total	56.82
Amount required to be spent u/s 135 of the Companies Act, 2013		84.74
	Shortfall in spend	27.92

16 a) Following are the forward exchange contracts [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables. The following forward exchange contracts entered into by the Group are outstanding as on March 31, 2015:

2014-15 ₹ Million

Currency		Amount	Buy/Sell	Cross Currency
United States Dollar	USD	74.00	Buy	INR
EURO	EURO	6.00	Sell	INR
SUBSIDIARIES				
United States Dollar	USD	17.94	Buy	Euro
Great British Sterling	GBP	2.60	Buy	Euro
Swedish Krona	SEK	22.17	Buy	Euro
Swiss Francs	CHF	2.23	Buy	Euro
Norwegian Kroner	NOK	7.20	Buy	Euro
Polish Zlotych	PLZ	6.98	Buy	Euro
Hungarian Forint	HUF	157.33	Buy	Euro

Currency		Amount	Buy/Sell	Cross Currency
United States Dollar	USD	31.74	Buy	INR
EURO	EURO	0.12	Buy	INR
SUBSIDIARIES				
United States Dollar	USD	0.95	Sell	ZAR
United States Dollar	USD	11.94	Sell	Euro
Great British Sterling	GBP	5.91	Buy	Euro
Swedish Krona	SEK	44.34	Buy	Euro
Swiss Francs	CHF	4.46	Buy	Euro
Norwegian Kroner	NOK	14.39	Buy	Euro
Polish Zlotych	PLZ	13.96	Buy	Euro
Hungarian Forint	HUF	314.66	Buy	Euro

- b) No. of Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate are **18** (18).
- c) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Currency	As at March 31, 2015		As at March 31, 2014	
	Receivable/ (Payable) INR	Receivable/ (Payable) FC	Receivable/ (Payable) INR	Receivable/ (Payable) FC
UAE Dirham	(57.01)	(3.31)	0.32	0.02
Swiss Franc	142.95	2.20	300.78	4.46
EURO	261.02	3.67	75.58	0.95
British Pound	116.05	1.27	536.18	5.43
Indonesian Rupiah	(0.04)	(7.25)	0.01	1.75
Japanese Yen	0.05	0.09	(0.01)	(0.03)
Malaysian Ringgit	0.17	0.01	0.17	0.01
Philippine Peso	0.23	0.21	0.23	0.21
Singapore Dollar	0.23	0.01	0.23	0.01
Thai Baht	(0.20)	(0.11)	(0.17)	(0.09)
US Dollar	1,925.05	30.60	(416.88)	(7.00)
South African Rand	8.25	1.55	12.80	2.18
Norway Crown	56.28	7.20	143.50	14.39
Swedish Crown	161.16	22.17	408.47	44.34
Polish Sloty	115.59	6.98	279.72	13.96
Hungarian Forint	35.59	157.33	83.98	314.66

17 Segmental Reporting

a. Geographical Segments

The Company has considered geographic segments as the primary segments for disclosure. The Geographic Segments are India ,South Africa , Europe on the basis of Organisation Structure and Operating Locations. Indian segment includes manufacturing and sales operations through India, South Africa and Europe segments include manufacturing and sales operations through South Africa and Europe along with its subsidiaries located in South Africa and Europe respectively.

b. Business Segments

The Company has considered business segment as the secondary segment for disclosure. The Company's operations comprise of only one segment - Tyres, Tubes & Flaps and therefore, there are no other business segments to be reported as required under accounting standard (AS-17) - “Segment Reporting”.

- c. Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities.

₹ Million														
Particulars	India		South Africa		Europe		Others		Other Corp		Eliminations		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1. REVENUE														
Total Revenue	89,753.63	87,909.58	4,727.42	12,714.80	36,376.54	37,325.44	5,156.43	3,542.65	808.94	66.61	(8,432.49)	(6,460.82)	128,390.47	135,098.26
Inter segment Revenue	(6,067.19)	(5,407.96)	-	(8.03)	(1,018.41)	(889.00)	(554.82)	(90.32)	(792.07)	(65.51)	8,432.49	6,460.82	-	-
External Revenue	83,686.44	82,501.62	4,727.42	12,706.77	35,358.13	36,436.44	4,601.61	3,452.33	16.87	1.10	-	-	128,390.47	135,098.26
2. RESULT														
Segment result	11,062.30	9,301.02	(148.16)	688.27	4,973.37	5,514.40	(46.13)	77.66	786.09	51.16	(666.40)	(7.43)	15,961.07	15,625.08
Interest expense	(1,720.88)	(2,446.10)	(10.03)	(232.32)	(88.95)	(151.09)	(10.25)	(12.85)	(0.47)	-	2.68	4.42	(1,827.90)	(2,837.94)
Income Taxes	(2,890.61)	(1,718.26)	357.68	(150.71)	943.93	(388.15)	(38.19)	(10.68)	(17.13)	(11.58)	-	-	(3,532.18)	(2,268.70)
Exceptional item	-	(710.47)	(824.90)	1,858.44	-	(1,615.83)	-	-	-	-	-	-	(824.90)	(467.86)
Net profit	6,450.81	4,426.19	(625.41)	2,163.68	3,940.49	3,359.33	(94.57)	53.93	768.49	39.58	(663.72)	(3.01)	9,776.09	10,050.58
3. OTHER INFORMATION														
Segment assets	61,214.06	60,669.88	2,413.44	3,949.33	27,573.57	27,989.23	2,998.69	2,815.17	9,298.15	8,912.93	(17,347.07)	(13,860.70)	86,150.84	90,455.84
Segment liabilities	24,080.03	29,604.25	895.34	1,231.74	6,220.45	7,792.49	738.68	1,581.41	6,065.02	6,001.44	(2,271.65)	(1,501.72)	35,727.87	44,709.61
Capital Expenditure	2,435.22	2,279.59	45.79	108.45	3,779.02	3,394.02	106.09	42.66	14.09	11.41	-	-	6,380.21	5,836.13
Depreciation	2,467.80	2,480.46	126.29	389.85	1,253.03	1,211.16	32.68	24.10	3.08	2.95	-	-	3,882.88	4,108.51
Other Significant Non Cash Expenses	146.02	428.32	28.83	(21.99)	11.43	24.48	7.52	5.73	(14.09)	6.16	-	-	179.71	442.70

- 18 Disclosure of Related Party Transactions in accordance with the mandatory Accounting Standards AS-18 “Related Party Disclosures” :

Name of the Related Parties

Particulars	2014-15	2013-14
Companies in which Directors are interested	Apollo International Ltd (AIL) Apollo International Trading LLC, Middle East Encorp E Services Ltd UFO Moviez India Ltd Landmark Farms & Housing (P) Ltd Sunlife Tradelinks (P) Ltd Travel Tracks Ltd Bespoke Tours & Travels Ltd Dusk Valley Technologies Ltd Classic Auto Tubes Ltd PTL Enterprises Ltd (PTL) Apollo Finance Ltd Artemis Medicare Services Ltd Artemis Health Sciences Ltd Regent Properties Swaranganga Consultants Pvt Ltd J & S Systems Corporation, U.K. Sacred Heart Investment Co. Pvt Ltd Milers Global Pvt Ltd Amarchand & Mangaldas & Suresh A Shroff & Co. J Sagar & Associates Apollo Fiege Integrated Logistics Pvt Ltd	Apollo International Ltd (AIL) Apollo International Trading LLC, Middle East Encorp E Services Ltd UFO Moviez India Ltd Landmark Farms & Housing (P) Ltd Sunlife Tradelinks (P) Ltd Travel Tracks Ltd Bespoke Tours & Travels Ltd Dusk Valley Technologies Ltd Classic Auto Tubes Ltd PTL Enterprises Ltd (PTL) Apollo Finance Ltd Artemis Medicare Services Ltd Artemis Health Sciences Ltd Regent Properties Swaranganga Consultants Pvt Ltd J&S Systems Corporation, U.K. Sacred Heart Investment Co. Pvt Ltd Milers Global Pvt Ltd Amarchand & Mangaldas & Suresh A Shroff & Co. J Sagar & Associates Apollo Fiege Integrated Logistics Pvt Ltd
Associates	Pressurite (Pty) Ltd National Tyre Services Ltd	Pressurite (Pty) Ltd National Tyre Services Ltd
Key Management Personnel	Mr Onkar S Kanwar Mr Neeraj Kanwar Mr U S Oberoi Mr Sunam Sarkar	Mr Onkar S Kanwar Mr Neeraj Kanwar Mr U S Oberoi Mr Sunam Sarkar
Relatives of Key Managerial Personnel	Mr Raaja Kanwar	Mr Raaja Kanwar

Note: Related Parties and their relationships are as identified by the management and relied upon by the Auditors.

Transactions with Related Parties:

FY 2014-15

₹ Million

Particulars	Companies in which Directors are interested	Key Management Personnel	Total
Description of Transactions:			
Sales:			
Apollo Intl. Trading LLC, Dubai	1,034.36		1,034.36
Apollo International Ltd	446.98		446.98
	1,481.34		1,481.34
Sales: Raw Materials			
Classic Auto Tubes Ltd	5.18		5.18
Cross Charge of Management & Other Expenses Received:			
PTL Enterprises Ltd	4.45		4.45
Classic Auto Tubes Ltd	1.78		1.78
Artemis Medicare Services Ltd	0.60		0.60
	6.83		6.83
Rent Received:			
PTL Enterprises Ltd	0.12		0.12
Bespoke Tours & Travels Ltd	1.23		1.23
Classic Auto Tubes Ltd	0.11		0.11
	1.46		1.46
Reimbursement of Expenses Received:			
Classic Auto Tubes Ltd	8.23		8.23
PTL Enterprises Ltd	2.98		2.98
Apollo International Ltd	3.23		3.23
	14.44		14.44
Freight & Insurance recovered:			
Apollo International Ltd	0.02		0.02
Purchases:			
Classic Auto Tubes Ltd	548.94		548.94
Clearing Charges Paid:			
Apollo Fiege Integrated Logistics Pvt Ltd	39.94		39.94
Warehouse Management Charges Paid:			
Apollo Fiege Integrated Logistics Pvt Ltd	53.16		53.16
Legal and Professional Charges Paid:			
Amarchand & Mangaldas & Suresh A Shroff & Co.	9.50		9.50
J Sagar & Associates	6.70		6.70
	16.20		16.20
Reimbursement of Expenses paid:			
PTL Enterprises Ltd	445.07		445.07
Classic Auto Tubes Ltd	226.04		226.04
	671.11		671.11
Payment for Services Received:			
Artemis Medicare Services Ltd	11.46		11.46
Classic Auto Tubes Ltd	0.42		0.42
	11.88		11.88
Lease Rent Paid:			
PTL Enterprises Ltd	400.00		400.00

Rent Paid:			
Sunlife Tradelinks	23.43		23.43
Land Mark Farms & Housing	24.00		24.00
Regent Properties	21.60		21.60
Classic Auto Tubes Ltd	0.12		0.12
Milers Global Pvt Ltd	3.00		3.00
	72.15		72.15
Conversion Charges Paid:			
Classic Auto Tubes Ltd	968.20		968.20
Mixing Charges Paid:			
Classic Auto Tubes Ltd	247.56		247.56
Travelling Expenses Paid:			
Bespoke Tours & Travels Ltd	317.58		317.58
Conference Expenses:			
Bespoke Tours & Travels Ltd	220.55		220.55
Commision received:			
Apollo Finance Ltd	0.76		0.76
Managerial Remuneration:			
Mr Onkar S Kanwar		417.10	417.10
Mr Neeraj Kanwar		273.00	273.00
Mr U S Oberoi		7.01	7.01
Mr Sunam Sarkar		41.82	41.82
		738.93	738.93
Amount Outstanding			
Trade Payable:			
Bespoke Tours & Travels Ltd	6.08		6.08
Classic Auto Tubes Ltd	25.38		25.38
Artemis Medicare Services Ltd	0.15		0.15
Amarchand & Mangaldas & Suresh A Shroff & Co.	0.06		0.06
	31.67		31.67
Other Current Liabilities:			
Classic Auto Tubes Ltd	43.15		43.15
	43.15		43.15
Long Term Loans & Advances:			
PTL Enterprises Ltd	400.00		400.00
Sunlife Tradelinks	5.86		5.86
Land Mark Farms & Housing	6.00		6.00
Regent Properties	5.40		5.40
Milers Global Pvt Ltd	0.75		0.75
Classic Auto Tubes Ltd	79.60		79.60
	497.61		497.61
Trade Receivable:			
Classic Auto Tubes Ltd	7.89		7.89
Apollo International Ltd	105.60		105.60
	113.49		113.49
Short Term Loans & Advances:			
PTL Enterprises Ltd	31.84		31.84
Travel Tracks Ltd	0.01		0.01
Classic Auto Tubes Ltd	10.10		10.10
Apollo Fiege Integrated Logistics Pvt Ltd	0.49		0.49
Apollo Finance Ltd	3.24		3.24
	45.68		45.68

Transactions with Related Parties:

FY 2013-14

₹ Million

Particulars	Companies in which Directors are interested	Key Management Personnel	Total
Description of Transactions:			
Sales: Apollo Intl. Trading LLC, Dubai	1,311.47		1,311.47
Sales: Raw Materials Classic Auto Tubes Ltd	31.48		31.48
Cross Charge of Management & Other Expenses Received: PTL Enterprises Ltd Classic Auto Tubes Ltd Artemis Medicare Services Ltd	3.38 1.78 0.60		3.38 1.78 0.60
	5.76		5.76
Rent Received: PTL Enterprises Ltd Bespoke Tours & Travels Ltd Classic Auto Tubes Ltd	0.12 1.23 0.11		0.12 1.23 0.11
	1.46		1.46
Reimbursement of Expenses Received: Classic Auto Tubes Ltd	26.73		26.73
Purchases: PTL Enterprises Ltd Classic Auto Tubes Ltd	0.06 307.53		0.06 307.53
	307.59		307.59
Clearing Charges Paid: Apollo Fiege Integrated Logistics Pvt Ltd	81.38		81.38
Warehouse Management Charges Paid: Apollo Fiege Integrated Logistics Pvt Ltd	27.10		27.10
Legal and Professional Charges Paid: Amarchand & Mangaldas & Suresh A Shroff & Co. J Sagar & Associates	4.58 20.25		4.58 20.25
	24.83		24.83
Reimbursement of Expenses paid: PTL Enterprises Ltd Classic Auto Tubes Ltd	420.73 146.72		420.73 146.72
	567.45		567.45
Payment for Services Received: Artemis Medicare Services Ltd	10.52		10.52
Lease Rent Paid: PTL Enterprises Ltd	400.00		400.00
Rent Paid: Sunlife Tradelinks Land Mark Farms & Housing Regent Properties Classic Auto Tubes Ltd Milers Global Pvt Ltd	23.43 24.00 21.60 0.12 3.00		23.43 24.00 21.60 0.12 3.00
	72.15		72.15
Conversion Charges Paid: Classic Auto Tubes Ltd	1,017.61		1,017.61
Mixing Charges Paid: Classic Auto Tubes Ltd	318.41		318.41

Travelling Expenses Paid: Travel Tracks Ltd Bespoke Tours & Travels Ltd	1.34 217.72		1.34 217.72
	219.06		219.06
Conference Expenses: Bespoke Tours & Travels Ltd	202.60		202.60
Security Deposits Given: Milers Global Pvt Ltd	0.75		0.75
Refund of Security Deposits: Sunlife Tradelinks Land Mark Farms & Housing Regent Properties	64.43 66.00 59.40		64.43 66.00 59.40
	189.83		189.83
Managerial Remuneration: Mr Onkar S Kanwar Mr Neeraj Kanwar Mr U S Oberoi Mr Sunam Sarkar		304.08 142.12 10.33 38.45	304.08 142.12 10.33 38.45
		494.98	494.98
Amount Outstanding Trade Payable: Travel Tracks Ltd Classic Auto Tubes Ltd Apollo Fiege Integrated Logistics Pvt Ltd	(0.01) 22.27 9.39		(0.01) 22.27 9.39
	31.65		31.65
Other Current Liabilities: Apollo International Ltd Classic Auto Tubes Ltd	0.11 4.37		0.11 4.37
	4.48		4.48
Long Term Loans & Advances: PTL Enterprises Ltd Sunlife Tradelinks Land Mark Farms & Housing Regent Properties Milers Global Pvt Ltd Classic Auto Tubes Ltd	400.00 5.86 6.00 5.40 0.75 123.89		400.00 5.86 6.00 5.40 0.75 123.89
	541.90		541.90
Trade Receivable: Classic Auto Tubes Ltd Apollo International Ltd Apollo Intl. Trading LLC, Dubai	2.41 0.01 155.62		2.41 0.01 155.62
	158.04		158.04
Short Term Loans & Advances: PTL Enterprises Ltd Bespoke Tours & Travels Ltd Classic Auto Tubes Ltd Artemis Medicare Services Ltd	43.24 33.83 2.97 0.59		43.24 33.83 2.97 0.59
	80.63		80.63

19 Operating Lease

A. Indian Operations

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under those leases were ₹ **400 Million** (₹ 400 Million)
The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Within One year of the Balance Sheet date	400.00	400.00
Due in a period between One year and Five years	2,000.00	2,000.00
Due after Five years	400.00	800.00

B. South African Operations

Apollo Durban (Pty) Ltd

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Within one year of the Balance Sheet date	23.91	2.31
Due in a period between One year and Five years	32.75	-
Due after Five years	-	-

The lease escalation liability relates to rental and lease contracts with fixed escalation clause. Rental payables under the contracts are charged to Consolidated Statement of Profit & Loss on a straight-line basis over the term of the relevant lease.

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Long term	1.59	-
Short term (due within a year)	0.10	-
Total lease escalation	1.69	-

C. European Operations

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Within one year of the Balance Sheet Date	375.05	456.71
Due in a period between one year and five years	795.57	1,234.85
Due after five years	19.53	28.58

The Company has operational lease contracts for cars and IT hardware. Rental obligations relate to various ware-houses and office buildings with contracts up to 10 years. The rental arrangements include adjustments depending upon benchmark inflation indices.

D. Others

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2014-15 ₹ Million	2013-14 ₹ Million
Within one year of the Balance Sheet Date	26.54	-
Due in a period between one year and five years	47.08	-
Due after five years	-	-

The company has operational lease contracts for office space. Rental obligations relate to various warehouses and office buildings with contracts up to 3 years.

20 Finance Lease - Deferred Payment Credit

The Company has entered into finance lease arrangements for certain Assets. The schedule of future minimum lease payments in respect of non-cancellable Finance leases is set out below:

PARTICULARS	₹ Million			
	Total Minimum Lease Payments		Present Value of Lease Payments	
	2014-15	2013-14	2014-15	2013-14
Within One year of the Balance Sheet date	68.31	68.88	56.12	52.51
Due in a period between One year and Five years	101.75	156.52	79.67	127.01
Due after Five Years	45.21	52.65	35.97	40.42
Total	215.27	278.05	171.76	219.94
Less: Future Finance Charges	(43.51)	(58.11)	-	-
Present Value of Minimum Lease Payment	171.76	219.94	-	-

21 Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

PARTICULARS	2014-15	2013-14
a) Basic & Diluted (Before Exceptional Items)		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	9,776.09	10,050.58
The weighted average number of equity shares outstanding during the year used as denominator For Basic EPS - (B)	507,942,578	504,024,770
Add : Effect of Warrants which are dilutive	441,058.00	649,102.00
The weighted average number of equity shares outstanding during the year used as denominator for Diluted EPS - (C)	508,383,636	504,673,872
Basic Earnings Per Share (₹) – (A) / (B) (Face Value of ₹ 1 each)	19.25	19.94
Diluted Earnings Per Share (₹) – (A) / (C) (Face Value of ₹ 1 each)	19.23	19.91

22 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

	ONKAR S KANWAR Chairman & Managing Director	NEERAJ KANWAR Vice Chairman & Managing Director	S NARAYAN Director
	GAURAV KUMAR Chief Financial Officer		SEEMA THAPAR Company Secretary
Gurgaon May 12, 2015			

FORM AOC-1

(PURSUANT TO FIRST PROVISION TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

₹ Million

Part A: Subsidiaries

S.No	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate as on 31.03.2015	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (Other than Subsidiary)	Turnover (including other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Share-holding
1	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	April 14 to March 15	USD	62.68	7,891.65	1,034.10	9,079.23	9,079.23	-	589.41	583.13	16.88	566.26	-	100%
2	Apollo Tyres (Greenfield) Co. Operatief U.A.	April 14 to March 15	EURO	68.02	3.40	-	3.40	3.40	-	-	-	-	-	-	100%
3	Apollo Tyres (Hungary) Kft	April 14 to March 15	HUF	0.23	24.52	(337.91)	2,405.31	2,405.31	-	(11.67)	(374.08)	-	(374.08)	-	100%
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	April 14 to March 15	ZAR	5.19	-	2,160.96	2,161.07	2,161.07	-	-	107.65	0.12	107.53	-	100%
5	Apollo Tyres Africa (Pty) Ltd	April 14 to March 15	ZAR	5.19	2,074.88	(614.60)	2,431.66	2,431.66	-	4,756.37	(1,122.45)	(357.80)	(764.66)	-	100%
6	Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	April 14 to March 15	EURO	68.02	0.05	4.91	142.72	142.72	-	235.59	234.35	-	234.35	-	100%
7	Apollo Tyres Co-operatief U.A. (Apollo Coop)	April 14 to March 15	EURO	68.02	5,961.94	37,734.17	43,739.89	43,739.89	-	8.23	(5.36)	(0.39)	(4.97)	-	100%
8	Apollo Tyres AG (ATAG)	April 14 to March 15	CHF	65.01	243.71	(65.60)	186.26	186.26	-	116.77	(37.12)	0.36	(37.48)	-	100%
9	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	April 14 to March 15	SGD	45.63	386.60	(144.52)	248.05	248.05	196.36	0.43	(14.46)	-	(14.46)	-	100%
10	Apollo Tyres (Middle East) Fze (ATFZE)	April 14 to March 15	AED	17.07	34.14	96.60	403.85	403.85	-	1,298.89	13.53	-	13.53	-	100%
11	Apollo Tyres (Thailand) Limited	April 14 to March 15	THB	1.93	192.67	95.10	642.25	642.25	-	3,128.12	94.75	20.23	74.53	-	100%
12	Apollo Tyres (Brasil) Ltda	April 14 to March 15	BRL	19.22	15.18	(6.83)	36.31	36.31	-	40.45	(0.27)	3.68	(3.95)	-	100%
13	Apollo Tyres Global R&D B.V.	April 14 to March 15	EURO	68.02	0.01	198.50	616.34	616.34	-	1,484.74	98.76	7.29	91.47	-	100%
14	Apollo Tyres B.V. (ATBV)	April 14 to March 15	EURO	68.02	1.22	(67.31)	15,975.27	15,975.27	-	6.45	(8.83)	(1.47)	(7.36)	-	100%
15	Apollo Tyres (UK) Pvt Ltd	April 14 to March 15	GBP	92.99	1.58	(18.81)	1,874.02	1,874.02	-	1,004.09	62.00	12.82	49.18	-	100%
16	Apollo Tyres Propvest (UK) Pvt Ltd	April 14 to March 15	GBP	92.99	976.42	(2.65)	975.80	975.80	-	-	(2.81)	-	(2.81)	-	100%

S.No	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate as on 31.03.2015	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (Other than Subsidiary)	Turnover (including other Income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Share-holding
17	Apollo Vredestein B.V. (AVBV)	April 14 to March 15	EURO	68.02	2.89	10,982.07	14,967.03	14,967.03	-	12,200.42	2,543.05	359.27	2,183.78	-	100%
18	Apollo Vredestein GmbH	April 14 to March 15	EURO	68.02	34.82	3,735.54	7,081.47	7,081.47	-	11,117.53	490.28	201.05	289.23	-	100%
19	Vredestein Marketing B.V. & Co. KG	April 14 to March 15	EURO	68.02	-	(2,587.92)	(4,050.93)	(4,050.93)	-	(413.07)	411.37	126.00	285.38	-	100%
20	Vredestein Nordic A.B.	April 14 to March 15	SEK	7.27	6.91	37.19	668.39	668.39	-	1,164.10	19.81	(8.89)	28.70	-	100%
21	Apollo Vredestein U.K. Limited	April 14 to March 15	GBP	92.99	93.09	10.30	308.60	308.60	-	1,418.82	20.64	8.77	11.87	-	100%
22	Apollo Vredestein SAS	April 14 to March 15	EURO	68.02	2.85	339.32	522.62	522.62	-	1,866.73	103.37	-	103.37	-	100%
23	Apollo Vredestein Belux	April 14 to March 15	EURO	68.02	4.22	25.95	293.23	293.23	-	1,588.60	201.99	71.37	130.62	-	100%
24	Apollo Vredestein Gesellschaft m.b.H.	April 14 to March 15	EURO	68.02	2.47	70.87	664.97	664.97	-	1,971.75	87.94	22.47	65.47	-	100%
25	Apollo Vredestein Schweiz AG	April 14 to March 15	CHF	65.01	195.03	76.39	157.78	157.78	-	836.38	33.38	5.99	27.39	-	100%
26	Apollo Vredestein Srl	April 14 to March 15	EURO	68.02	13.60	45.66	544.48	544.48	-	1,212.28	0.67	11.36	(10.69)	-	100%
27	Apollo Vredestein Iberica SA	April 14 to March 15	EURO	68.02	210.94	57.82	203.02	203.02	-	1,097.03	86.50	24.90	61.61	-	100%
28	Apollo Vredestein Tires Inc.	April 14 to March 15	USD	62.68	3.13	(48.49)	76.31	76.31	-	283.07	(4.26)	0.29	(4.55)	-	100%
29	Apollo Vredestein Kft	April 14 to March 15	HUF	0.23	0.68	3.60	168.12	168.12	-	431.69	(1.91)	3.06	(4.97)	-	100%
30	S.C. Vredesetin R.O. Srl*	April 14 to March 15	EURO	68.02	-	-	-	-	-	-	-	-	-	-	100%
31	Apollo Vredestein Opony Polska Sp. Zo.o.	April 14 to March 15	PLN	16.56	0.83	154.97	551.06	551.06	-	758.49	23.54	7.76	15.78	-	100%
32	Vredestein Norge A.S.	April 14 to March 15	NOK	7.82	0.78	(6.94)	(6.16)	(6.16)	-	-	3.26	-	3.26	-	100%
33	Vredestein Consulting B.V.	April 14 to March 15	EURO	68.02	1.54	190.76	14.52	14.52	-	60.69	37.46	6.44	31.02	-	100%
34	Finlo B.V.	April 14 to March 15	EURO	68.02	0.61	(15.92)	(14.76)	(14.76)	-	-	-	-	-	-	100%
35	Vredestein Marketing B.V.	April 14 to March 15	EURO	68.02	-	1.70	-	-	-	-	-	-	-	-	100%

* It is a non-operating entity.

Note 1 **Name of subsidiaries which are yet to commence operations**
Nil

Note 2 **Name of subsidiaries which have been liquidated or sold during the year**

a	Apollo Acquisition Corp.	Winding up completed during the year
b	Radun Investment (Private) Ltd (RADUN)	Sold during the year
c	Apollo Tyres (Zimbabwe) (Private) Ltd	Sold during the year
d	ASF Mining (Pvt) Ltd Zimbabwe	Sold during the year
e	UK ATL Holdings Limited	Sold during the year
f	Apollo Tyres (LAO) Co. Ltd.	Winding up completed during the year

Part B: Associates and Joint Venture

		₹ Million
S.No.	Name of Associates/ Joint Venture	PanAridus LLC (Joint Venture)
1	Latest audited Balance Sheet date	31.03.2015
2	Shares of Associate/ Joint Ventures held by the company on the year end	
	No.	9,550.00
	Amount of Investment in Associates/ Joint Venture	269.76
	Extent of Holding %	50%
3	Description of how there is significant influence	Extent of Holding equals to 50%
4	Reason why the associate/ joint venture is not consolidated	-
5	Net worth attributable to Shareholding as per latest Balance Sheet	(87.81)
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	(21.41)
	i. Not Considered in Consolidation	(21.41)

Note 1	Name of associates or joint ventures which are yet to commence operations
	Nil

Note 2	Name of associates or joint ventures which have been liquidated or sold during the year
National Tyre Services Ltd	Sold during the year

Gurgaon
May 12, 2015

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary

NOTES

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Apollo Tyres Ltd

Apollo House, 7 Institutional Area, Sector 32, Gurgaon 122001, India

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Registered Office: Apollo Tyres Ltd, 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi 682031, India

T: +91 484 2372767 F: +91 484 2370351 Email : investors@apollotyres.com

CIN: L25111KL1972PLC002449

APOLLO TYRES LTD



ANNEXURE - A

Information as per Section 197 of the Companies Act,2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, and forming part of the Directors Report for the Year ended March 31, 2015

Name	Designation	Qualification	D.O.J.	Age	Exp.	Remuneration	Previous Employment	Last Designation
Employed throughout the year						(₹ Million)		
1 Mr Anil Chopra	Group Head, Corporate Accounts	B Com, A C A	18-Aug-92	60	34	16.53	Altos India Ltd	Manager, Finance
2 Mr Ajay Vaid	Group Manager, International sales	B Com (H)	03-Jul-95	41	20	6.67	-	-
3 Mr Chandrasekhar Velagapudi	Head, IT	M B A, M Sc	08-Nov-04	49	26	8.03	Pepsi Food P.Ltd	Manager, Technical
4 Mr Davendra Mittal	Head, Finance	B E, M B A	21-Mar-13	46	21	7.28	Lanco Infratech	Sr. Vice President
5 Mr Dheeraj Prasad Sinha	Group Head, Corporate Management Services	B E	09-Feb-04	44	22	12.31	Infovergix Technologies Ltd	G.M, Ebusiness Services
6 Mr Gaurav Kumar	Group Head, Corporate Strategy & Finance	B Tech, M B A	01-Mar-04	45	22	22.76	HCL Technologies Ltd	AVP, Mergers & Acquisitions
7 Mr Harish Bahadur	Head, Corporate Investments	B Com (H)	02-Feb-75	63	40	17.69	-	-
8 Mr John Devadason	Unit Head, Chennai Plant	M Sc(Eng), B E	08-Nov-10	51	30	6.41	TVS Sundram Fasteners Ltd	General Manager & Profit Centre Head
9 Mr K Sunil	Head, Corporate Engineering	B Tech	01-Jul-87	51	28	6.84	-	-
10 Mr Neeraj Kanwar	Vice Chairman & Managing Director	B Sc, ACMS	24-Feb-97	43	20	273.00	Apollo Finance Ltd	Joint President
11 Mr O S Kanwar	Chairman & Managing Director	B Sc, Bach of Admn	01-Feb-88	72	54	417.10	Bst Manufacturing Ltd	Managing Director
12 Mr Pious Bansal	Unit Head, Limda Plant	B E (Mech), PGDBM	20-Aug-13	49	29	8.82	Moser Bear India	Vice President
13 Mr P K Mohamed	Chief Advisor, Research & Development	B Sc, LPRI	19-Feb-01	74	51	29.08	Ceat Ltd	Executive Director, Technical
14 Mr P N Wahal	Head, Secretarial & Legal and Company Secretary	B Com (H), FCA, FCS	01-Apr-90	65	43	14.23	Apollo Tubes Ltd	Company secretary
15 Mr Pravin Tripathi	Head, Global Purchase	MBA, ICWA	15-Oct-90	45	25	6.57	-	-
16 Mr Prem Prakash Sharma	Head HR, Limda Plant	B A, PDBA, PGDBM	30-Jul-13	51	29	6.34	India Yamaha Motors	Group Head HR
17 Mr Rajesh Dahiya	Group Head, Sales (APMEA)	B Com , MBA	20-Aug-90	49	26	17.15	Indian Express	Business Executive
18 Mr S Chockalingam	Head, Special Projects	B E (Mech), M B A	28-Jun-07	53	29	6.87	Hinduja Group	President, Project
19 Mr Satish Sharma	President, APMEA	BE, PGDBM	15-Oct-97	47	26	44.82	JK Industries Ltd	Manager
20 Mr Sunam Sarkar	President & Chief Business Officer	B Com (H), IMPM	01-Jul-99	49	28	41.82	Modi Xerox Ltd	G.M
21 Mr Tapan Mitra	Chief Advisor	B Sc (H), MA Sociology	01-Feb-05	60	39	27.21	Ballarpur Industries Ltd	VP, People Development & communications
22 Mr T R Gopalakrishnan	Group Head, Corporate Technology (TBR)	B Sc, BE	16-Jun-80	61	34	19.21	JK Industries Ltd	Asstt. Technical Officer
23 Mr U S Oberoi	Chief Corporate Affairs	B Com (H)	15-Jul-80	71	52	10.38	JK Industries Ltd	Sr.District Manager, Sales
Employed part of the year								
1 Mr Atulya Sharma	Chief Legal Counsel	LLB, LLM	18-Feb-15	45	25	4.08	Deutsche Bank	Director
2 Mr C Krishna Kumar	Group Head, Projects	M Tech, ME	15-Mar-90	48	25	8.59	-	-
3 Mr Deepak Gupta	Head, Business Quality	PGDBM, BE	22-Jul-14	46	23	4.66	Frigoglass India Pvt Ltd	Head, Quality & Product Integrity
4 Mr K Prabhakar	Chief, Projects	B Tech, PGD Ind. Engg. ICWA	06-Nov-89	59	37	24.15	SRF Ltd.	Deputy Mgr (IE) & EA to Sr.GM
5 Mr Pepijn Kappen	Brand Manager	B Com	01-May-12	35	11	2.28	Rabobank Enschede	Deputy Manager
6 Mr Pramesh Arya	Group Head, Marketing	PGDBM, B Sc (Engg)	15-Dec-14	48	24	3.44	Kohler India	Director, Marketing
7 Ms Sonia Kochhar	Head, Customer Service (APMEA)	MBA, B A (H)	30-Jun-14	45	19	2.66	Bharti Airtel Limited	Vice President
8 Mr Sunil Ranjhan	Group Head, HR (APMEA)	MMS	31-Jul-14	50	28	7.18	Honda Cars India Ltd	Sr. Vice President
9 Mr Teera Makanontchai	Head,Fleet Marketing & Sales Training	MBA, BA	24-Nov-14	42	14	3.92	Michelin Siam Co. Ltd	Norm & Regulation Coordinator
10 Mr Tim Sander	Country Manager, Australia & New Zealand	GCSE	01-Aug-12	61	39	1.77	Tyretactix PTE LTD. Australia	Managing Director

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.

Date : May 12, 2015

Place : Gurgaon

For and on behalf of the Board of Directors

Sd/-

Onkar S Kanwar

(Chairman & Managing Director)

APOLLO TYRES LTD

(CIN-L25111KL1972PLC002449)

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42nd ANNUAL GENERAL MEETING- AUGUST 11, 2015

ATTENDANCE SLIP

Folio/DP ID - Client ID No.*	No. of Shares held:
Name of the member(s) & Registered address:	

* Applicable for the member(s) holding shares in Electronic Form.

I being a member/ proxy for the member of the Company, hereby record my presence at the 42nd Annual General Meeting of the Company at **Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)** on Tuesday, August 11, 2015 at 10.00 am.

Name of the Member/Proxy #	Signature of the Member/Proxy #

Strikeout whichever is not applicable.

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.
3. As per section 118(10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting issued by Institute of Company Secretaries of India **“No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting”**.

E-VOTING PARTICULARS

E-Voting Even Number	USER ID	PASSWORD

Note: Please read instructions given out at Note no. 12 of the Notice of the 42nd Annual General Meeting of the Company before casting your vote through e-voting.

APOLLO TYRES LTD

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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

42nd ANNUAL GENERAL MEETING- AUGUST 11, 2015

Folio/DP ID - Client ID No.*
Name of the member(s) & Registered address:
E-mail Id:

* Applicable for the member(s) holding shares in Electronic Form.

I/We, being the member(s) of shares of Apollo Tyres Ltd, hereby appoint:

- 1) Name: Address:
E-mail Id: Signature:.....,or failing him
- 2) Name: Address:
E-mail Id: Signature:.....,or failing him
- 3) Name: Address:
E-mail Id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 10:00 am at **Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)** and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
1	To Consider and adopt: (a) The audited financial statement of the Company for the financial year ended March 31, 2015, 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, 2015.
2	To declare dividend on equity shares.
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.
4	To ratify the appointment of the Auditors and fix their remuneration.
5	To ratify the payment of the remuneration to the Cost Auditor for the financial year 2015-16.
6	To pay commission to the Non-Executive Directors.

Signed this..... day of 2015.

Signature of the Member

Signature of the Proxy holder(s)

Affix Revenue
Stamp of not
less than
Re. 1/-

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. This Form of Proxy shall be signed by the member or his duly authorised attorney, or if the member is a body corporate, it shall be duly sealed and signed by an officer or an attorney. The Proxy Form which is unstamped or inadequately stamped or where the stamp has not been cancelled or is undated or which does not state the name of the Proxy shall not be considered valid.
3. Proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
4. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting. If both member and proxy attend the meeting, the proxy shall stand automatically revoked.