

new horizons
new opportunities



ANNUAL REPORT 2015-16

In this year's report...

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₹ **117.08**_{Bn}

Net Sales

₹ **17.15**_{Bn}

Capital Expenditure

21.8 %

ROCE

₹ **10.93**_{Bn}

Net Profit

₹ **20.38**_{Bn}

EBITDA



NEW HORIZONS NEW OPPORTUNITIES

WE MAKE TYRES THAT MOVE THE WHEELS OF PROGRESS IN OVER 100 COUNTRIES. OUR CUSTOMERS BANK ON US FOR THEIR MOBILITY NEEDS AND OUR TYRES PROVIDE THEM THE ASSURANCE AND CONFIDENCE OF A SAFE JOURNEY, WHERE THEY CAN
GO THE DISTANCE.

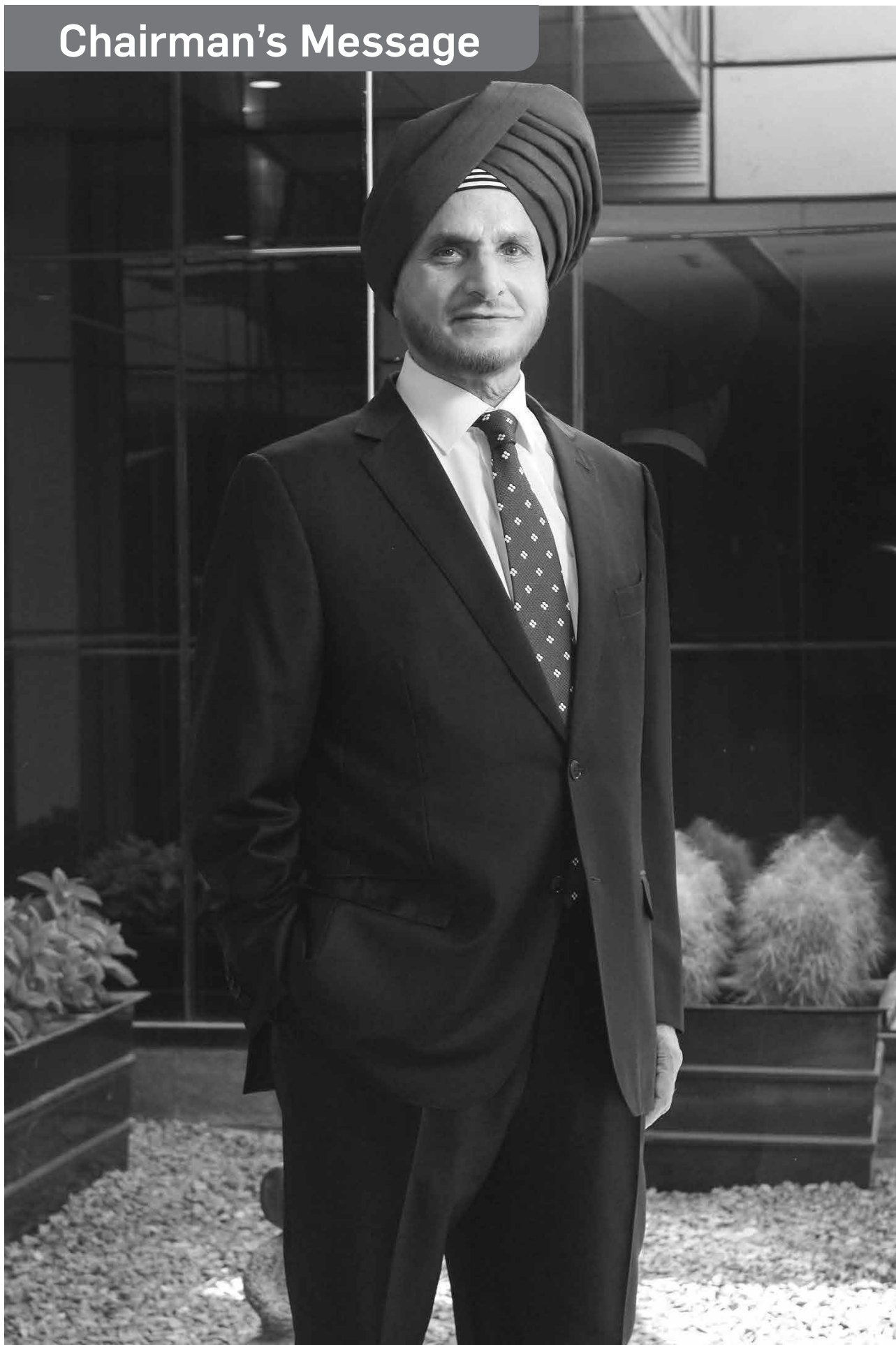
AT APOLLO, WE TAKE THIS RESPONSIBILITY VERY SERIOUSLY. WHICH IS WHY WE ARE CONSTANTLY CHALLENGING OURSELVES TO GO BEYOND BOUNDARIES AND SET NOTIONS. WE ARE EXPLORING NEWER GEOGRAPHIES IN WHICH TO SPREAD OUR WINGS AND EXPAND. WE ARE INNOVATING CONSISTENTLY TO PROVIDE A BETTER AND SAFER RIDE EXPERIENCE. WE ARE CREATING TYRES THAT GO FARTHER, FOR LONGER.

WE ARE WORKING TOWARDS A BETTER FUTURE FOR OUR PEOPLE AND OUR COMMUNITIES. AND STRIVING HARD TO ENSURE THAT WE REMAIN A RESPONSIBLE, VALUE-CREATING GLOBAL ORGANISATION.

THEREFORE, IT'S NOT JUST TYRES THAT WE MAKE.
IT'S MORE THAN THAT.

FOR US GOING THE DISTANCE IS A CONTINUOUS JOURNEY.
AND WE ARE ALWAYS SEEKING
NEWER HORIZONS, AND NEWER OPPORTUNITIES.

Chairman's Message



Dear Member,

There is no greater motivation for us than the confidence you continue to repose in us. I would like to reiterate that in an increasingly uncertain global economic world, we never lose sight of the reason we are here: to serve our customers, work with our partners to offer best in class products, help communities and, of course, to continuously repay the trust that you, our shareholders, place in us.

Led by our long-term vision to become a global leader in the industry and guided by our values, we continued to implement our strategy of building scale across various geographies and increasing market share. Our clear focus on this strategy and the dedication of our employees around the world were critical to delivering healthy profits – despite a highly volatile and challenging business environment.

But this is the past and your company does not rest on its laurels! Presently, we are at a stage where we are defining the future and will then build it on the strong foundations of the past. Our globalisation journey continues as the Hungary Greenfield plans are on schedule and we will roll out the first tyre in the last quarter of the current fiscal. With the plant, we will be able to serve the European market with a larger product portfolio. Our game plan for Europe includes increasing the dealer network and the acquisition of the Germany-based reifencom GmbH last year fits well into that strategy. The Indian economy continues to be shining star of the global economy. It closed the previous fiscal year with a stellar 7.6% growth.

Corporate governance is an important pillar of the company. We have been adhering to corporate governance best practices long before regulations forced other companies to do so. In this journey, the company was honoured with a Certificate of Recognition for 'Excellence in Corporate Governance' by the Institute of Company Secretaries of India. To further strengthen this focus area, we welcomed Shri Vinod Rai, the former Comptroller and Auditor General of India, to our Board of Directors.

While mapping the future is an easy thing, achieving that future is what differentiates the 'Great' and 'Good' companies. I am reminded of Henry Ford's mantra of success when he mentioned, "if everyone is moving forward together, then success takes care of itself." It is not an easy task if the company is a global

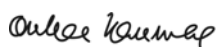
multi-cultural company. With employees in the Hungarian plant and the new R&D centre in Germany, we continue to add new cultures to the Apollo Family. Despite the diversity, I am proud to say that we have built an Apollo culture of taking on challenging tasks and moving together to achieve the goals.

Today we are sitting on the cusp of great opportunity. Our domestic base of India is predicted to continue to lead global economic growth for many years to come. We have committed ourselves to securing our leadership status in this vibrant and exciting market. In Europe, our Hungarian plant will supplement the existing facility in Enschede and our widespread distribution network to give us better market penetration and profitability. In key emerging markets around the world, whether it be the ASEAN region, the Middle East or Latin America we have in place the building blocks to make significant inroads in these markets. Our R&D teams continue to work of delivering newer and better products which will help us gain market share. Teams across functions are engaged day and night in raising the bar, in delivering excellence to our customers so that we may live up to your trust in us.

Our achievements so far are a testimony to the brave and determined steps that we have taken in the past. I feel enormously blessed to work for this company and with such talented employees. Our management team and employees have built an exceptional organisation and which is the one of the best places to work for. Unified by the core Apollo values, which serves as a guiding beacon for all employees, their dedication, fortitude and perseverance is making success possible. And this fills me with tremendous pride.

I am humbled with your continued support without which this journey would not have been possible. My sincere thanks to all the banks, financial institutions and various State and National Governments for their unstinted support.

Yours sincerely,



Onkar S Kanwar
Chairman & Managing Director

Vice Chairman's Message



Dear Member,

Profitable and sustained growth has been the cornerstone of Apollo Tyres' success over the past decades. We have taken decisions, at times, against the grain of conventional wisdom, to ensure that we continue to reinforce this tenet. As you leaf through the pages ahead, you will witness a small glimpse of the efforts we have taken to ensure our continuing commitment to enhancing shareholders value.

FY16 was a year of consolidation for Apollo Tyres. To ensure long-term success, it is important to increase our visibility and reach in our key markets and this fiscal saw the introduction of the new Vredestein brand positioning with the high decibel 'Rock the Road' digital campaign in our key European markets. Later in the year, the European region launched the dealer partnership programme and plans to have over 800 programme partners by 2020 throughout Europe.

We recognise the world is evolving and, like most categories, we realise that online tyre sale is no longer a distant dream. To develop the capability and knowledge and further expand our reach in key European markets, we acquired the Germany-based reifencom GmbH. It is one of the leading tyre retail organisations in Germany with over 37 stores in the country. While it gives our brands increased visibility, its strong online presence in many countries including Austria, Switzerland and France will not only support the growth of the retail network in Europe but also help in our journey to sell tyres online in other key markets outside Europe.

One of the other elements to take the theme further was to offer best in class and highly rated products in Europe. Many of the company's products from both brands, Apollo and Vredestein, bagged top ratings across various product segments by leading publications/organisations. I think that these positive ratings are a testimony to our decision of setting up R&D centres closer to the key markets.

Again, our Global R&D centres designed a product for the Indian market - the high-mileage passenger car tyre Apollo Amazer 4G Life, which promises to run up to 100,000 kms and beyond. Around the close of the fiscal, we introduced our two-wheeler tyre range in

India. With the launch, the company is now a full range player and the products will help the company cement its leadership position in India.

Of course, even as we sought to introduce new products and expand the network into markets like the Middle East, we continue to grapple with the challenge of the low-cost Chinese truck tyres imports in India. For the last two years, we have vehemently spoken about these imports and their impact on the Indian tyre manufacturers. Given the challenge, we continued to focus on better product mix and increasing process efficiencies to offset the loss in volume tyre growth. The results – while we saw a dip in topline, our net profit grew at a healthy clip of 12%.

At the onset of the next phase of the growth journey, we have outlined our goals and aspirations for the next years as part of Vision 2020. We envision the company 'to be a premier tyre company with a diversified and multinational presence'. All the work that we do in the coming years will aim to achieve this vision even as the company aims to be preferred partners for its customers in India and Europe and the best workplace with top notch talent.

In retrospect, the year was one that we lived at an exhilarating pace. I don't see the excitement and the pressure ebbing in the current year as we begin the march towards the first of the many milestones of Vision 2020. I am confident that in this journey, I have the support of every single member of the Apollo One Family including our employees, our network and business partners and our shareholders. I will continue to update you on an annual basis and I do look forward to be in touch with you.

With best regards,



Neeraj Kanwar

Vice Chairman and Managing Director

Supervisory Board



Left to Right (Pg 6)

SUNAM SARKAR
President &
Chief Business Officer
Apollo Tyres Holdings
(Singapore) Pte Ltd

P.H. KURIAN IAS
Principal Secretary
Department of Industries & IT
Government of Kerala

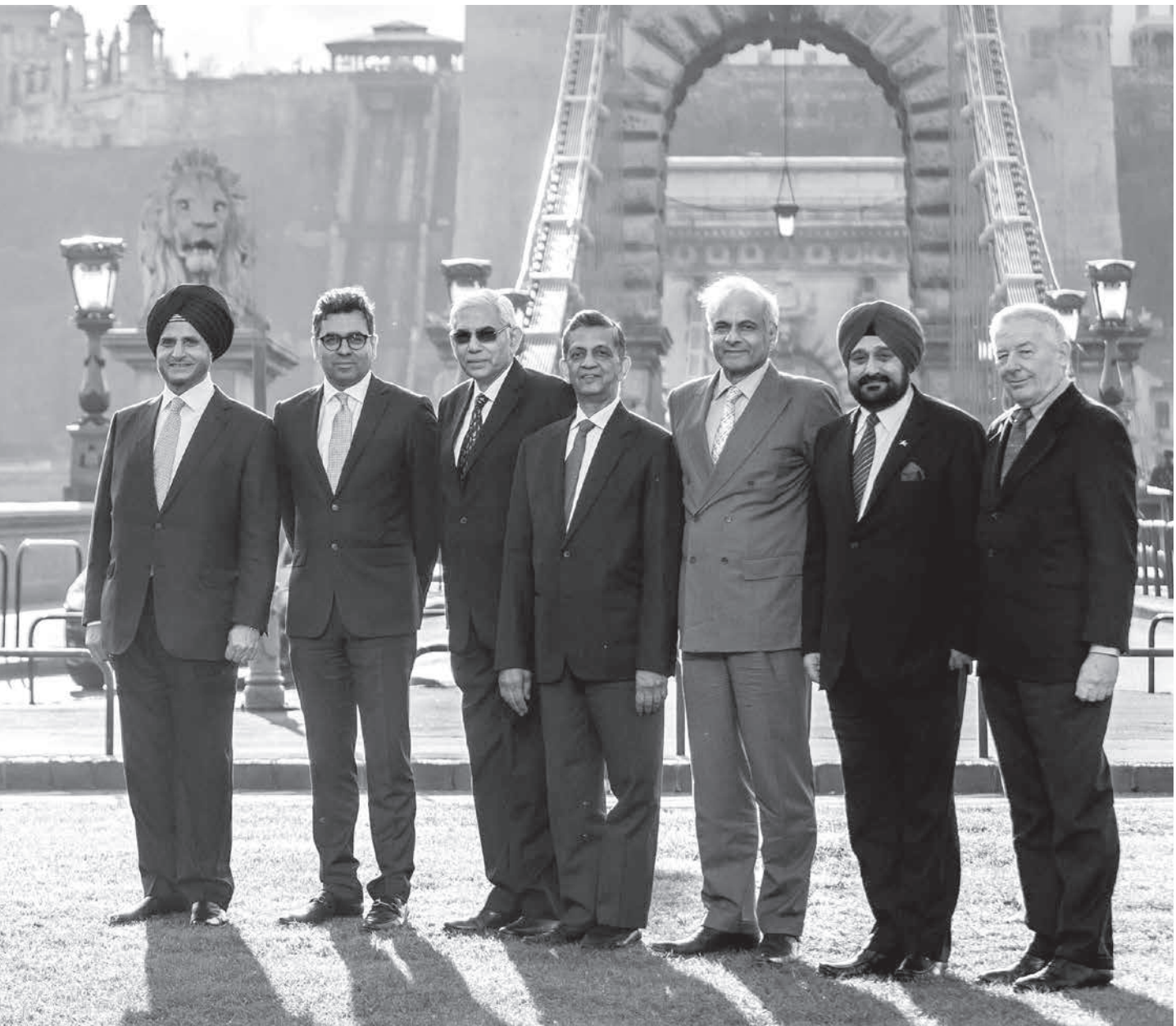
NIMESH N KAMPANI
Chairman JM Financial
Group

NEERAJ KANWAR
Vice Chairman &
Managing Director

ROBERT STEINMETZ
Former Chief of
International Business
Continental AG

PALLAVI SHROFF
Regional Managing Partner
Shardul Amarchand Mangaldas & Co.
(Not in Picture)

ARUN KUMAR PURWAR
Former Chairman State
Bank of India



Left to Right (Pg 7)

ONKAR S KANWAR
Chairman & Managing
Director

AKSHAY CHUDASAMA
Regional Managing Partner
Shardul Amarchand
Mangaldas & Co

VINOD RAI
Ex-Comptroller and
Auditor General of India

DR S NARAYAN
Former Principal
Secretary to the Prime
Minister of India

VIKRAM S MEHTA
Former Chairman
Shell Group of Companies

**GENERAL BIKRAM
SINGH (RETD.)**
Former Chief of Indian Army

FRANCESCO GORI
Former CEO
Pirelli Tyre

Management Board



Left to Right (Pg 8)

PETER SNEL
Chief R&D PV

MARKUS J KORSTEN
Chief Manufacturing Officer

SATISH SHARMA
President APMEA

MATHIAS HEIMANN
President EA

P K MOHAMED
Chief Advisor R&D

SUNAM SARKAR
President & Chief
Business Officer

MARTHA DESMOND
Chief Human
Resources Officer

NEERAJ KANWAR
Vice Chairman &
Managing Director



Left to Right (Pg 9)

ONKAR S KANWAR
Chairman & Managing
Director

ROBERT STEINMETZ
Director

FRANCESCO GORI
Advisor for Strategy

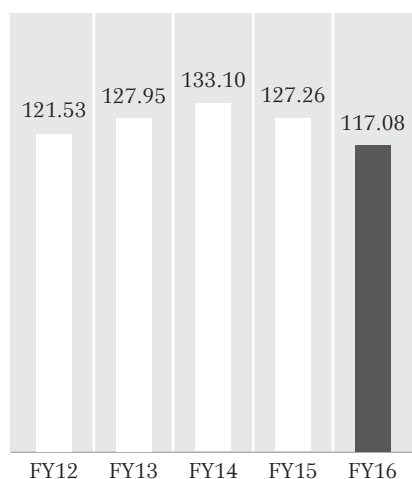
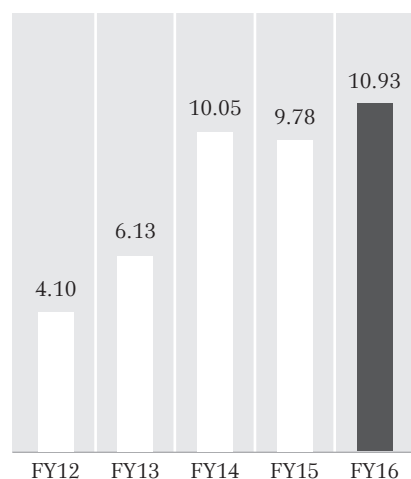
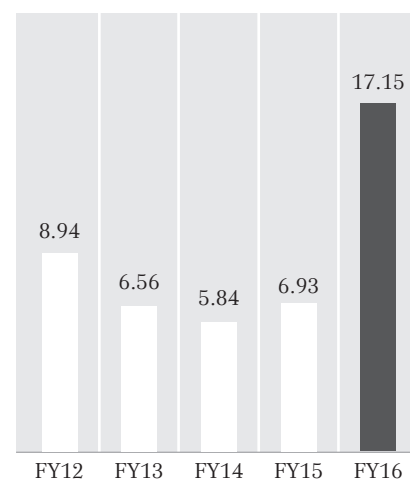
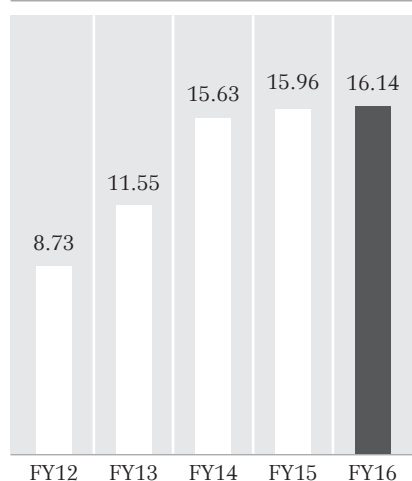
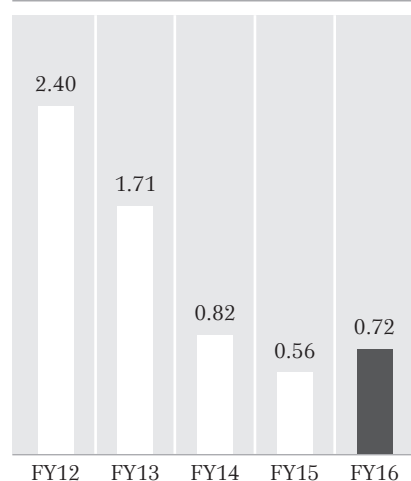
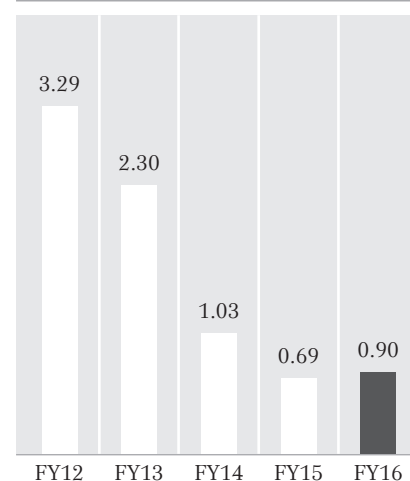
GAURAV KUMAR
Chief Financial Officer

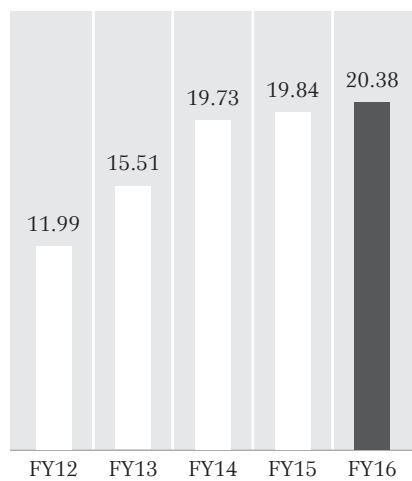
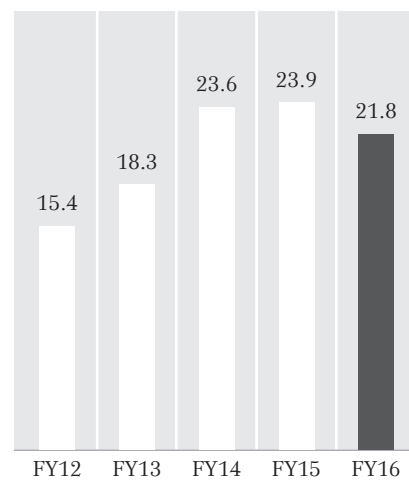
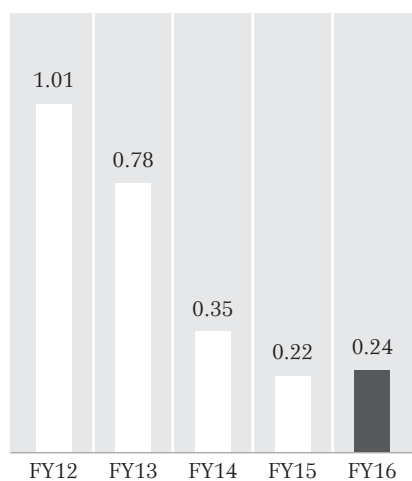
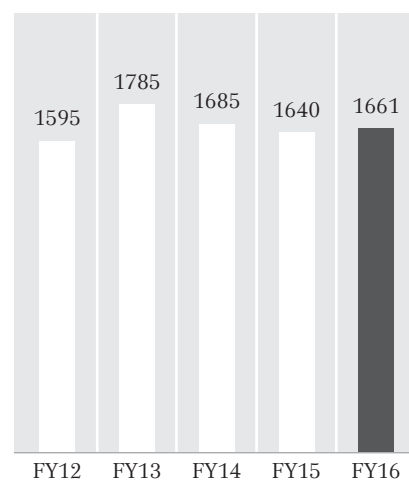
PEDRO MATOS
Chief Quality Officer

MARCO PARACCIANI
Chief Marketing Officer

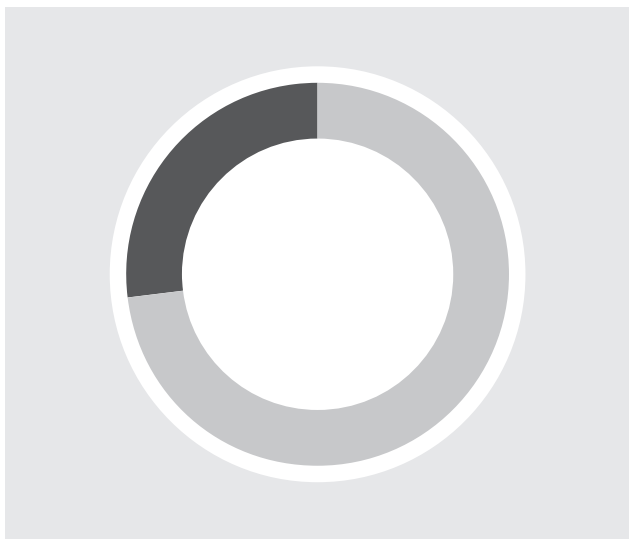
K PRABHAKAR
Chief Projects
(Not in Picture)

Performance Highlights

Net Sales (₹ Billion)

Net Profit (₹ Billion)

Capital Expenditure (₹ Billion)

EBITA (₹ Billion)

Debt / EBIDTA (Ratio)

Debt / EBITA (Ratio)


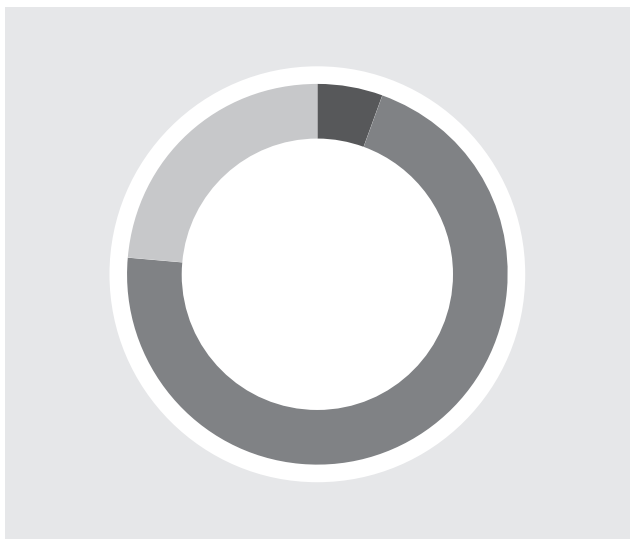
EBIDTA (₹ Billion)**Return on Capital Employed** (% Return)**Debt Equity Ratio****Capacity** (Mt/Day)

Revenue Segmentation
by Geography (%)



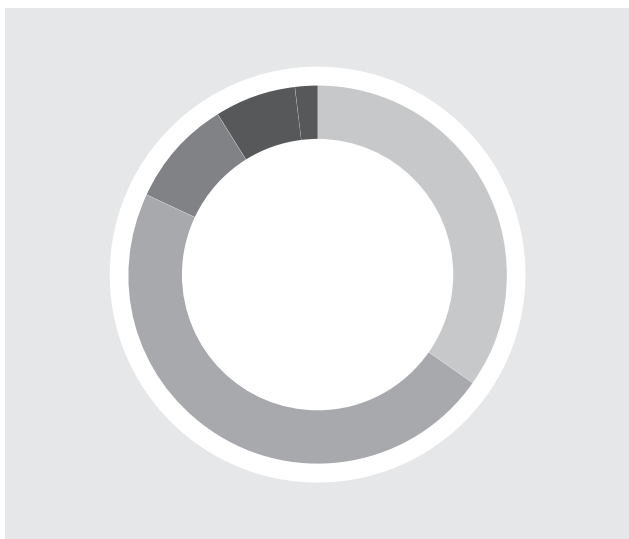
■ APMEA 73.2 ■ EA 26.8

Revenue Segmentation by
Customer (%)



■ Replacement 70.9 ■ OEM 23.8 ■ Export 5.3

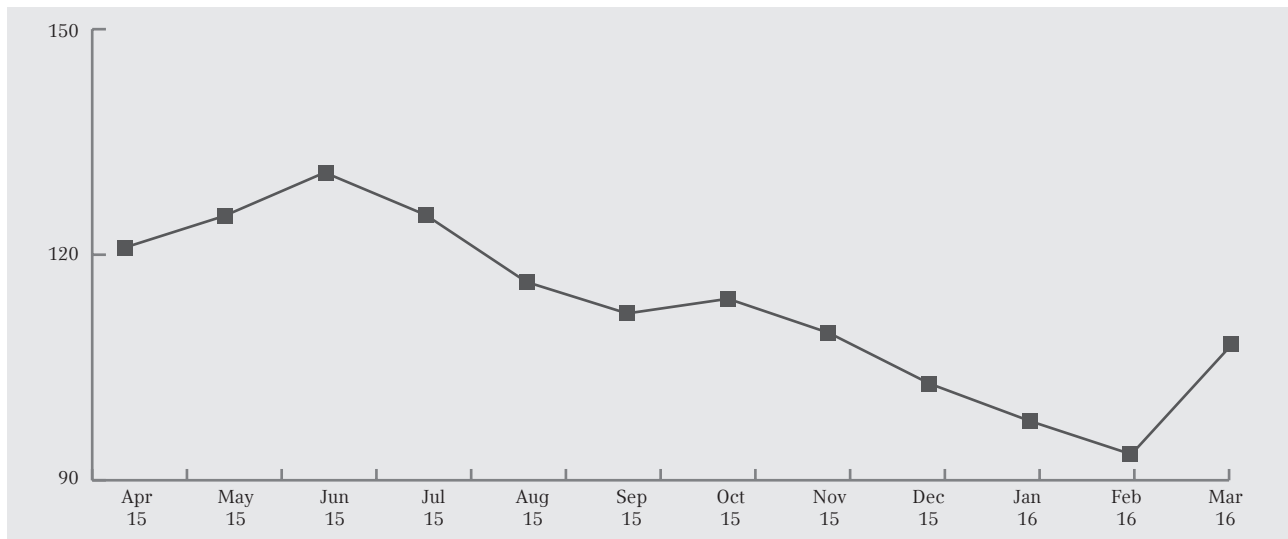
Revenue Segmentation by
Product (%)



■ Passenger Vehicles 34.8 ■ Truck-Bus 47.3
■ Off Highway 9.1 ■ Light Truck 6.9
■ Other 1.9

Natural Rubber Price Movement

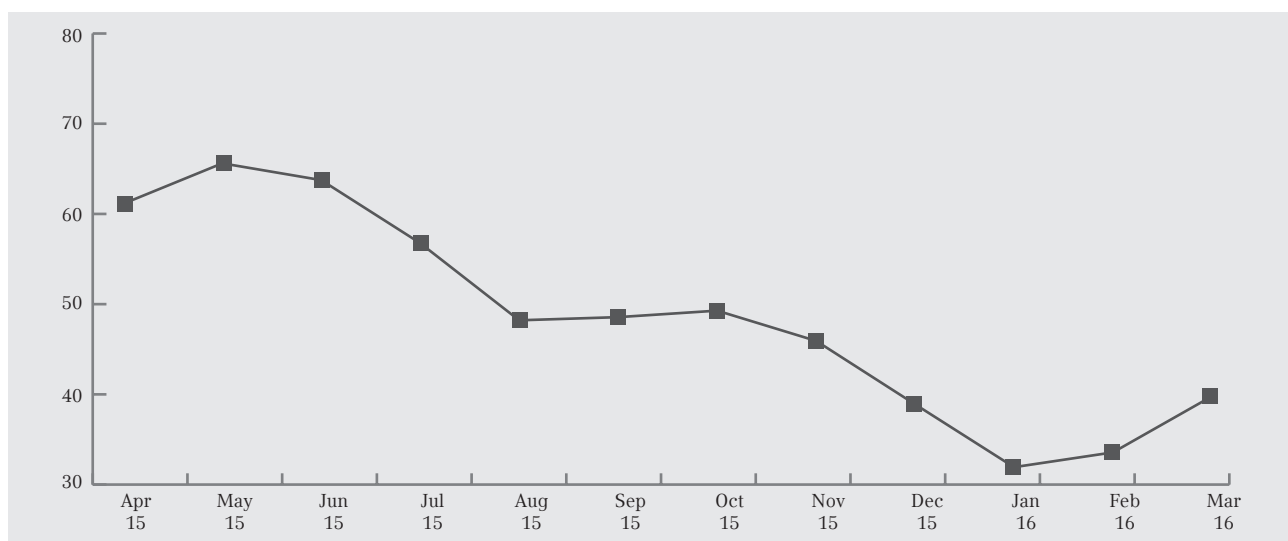
(₹/Kg)



RSS4 (Domestic)

Crude Oil Price Movement

(\$/Barrel)



(Brent Crude)

Management Discussion and Analysis



Fiscal Year (FY) 2015-16 was a year of multiple emotions-cautious optimism, uncertainty and pessimism, depending on which part of the globe you looked at. It was cautious optimism in Europe and few other advanced economies which continued their modest economic recovery. China's financial gyrations coupled with its slowing economy and continued volatility in oil prices made the world more uncertain than ever. Emerging markets saw the growth story take on pessimistic overtones as it declined for the fifth consecutive year even as the economic outlook for large emerging economies like Brazil and Russia deteriorated rapidly.

In line with our long-term vision, Apollo Tyres continued to focus on consolidating its leadership position in key markets by expanding market share through new products, focusing on enhancing its retail presence and becoming a full range player in India with the launch of the two-wheelers tyre range. The Company acquired the Germany-based tyre distributor, reifencom GmbH to support its plan of ramping up our retail network in Europe.

For FY16, the Company posted a consolidated revenue of ₹117,078 million, a drop of 8% as compared to FY15. Operating Profit (EBITDA) and Net Profit were up by 3% and 12% respectively to ₹20,383 million and ₹10,930 million.

MARKET OVERVIEW

India was the 'bright spot' in an otherwise uncertain global economy. Outperforming FY15, the Indian economy grew by 7.6% in FY16 as against 7.2% in FY15 thus reclaiming its position as the world's fastest growing economy. Powering the growth numbers was the sharp rise in manufacturing. As per the estimate given by the Central Statistical Organisation (CSO), the manufacturing segment was on a fast clip at 9.3% compared to 5.5% in FY15. The other highlight of the year was the continuing benign oil prices which helped the Government bring down its huge subsidy bill. This reduction further supported the GDP growth numbers. Some other sectors that recorded a growth rate in excess of 7% for FY16 included financial, real estate, professional services, hotels, transport and communications.

While the overall Indian Auto industry witnessed muted growth in FY16 at 3.8% as compared to 7.2% in FY15, the sharp fall was due to the

slow growth rate experienced by the two and three-wheeler segments. Nevertheless, the key segments in terms of value i.e. Passenger Vehicles (PV) and Commercial Vehicles (CV), posted positive gains.

The PV segment continued its 2nd year of sustained growth, posting a growth of 7.2% in the fiscal up from 3.9% in FY15. Also, in the CV segment finally cleared the dark clouds with a stellar double digit growth rate of 11.5% in FY16 as against negative growth rates in the previous years.

Compared to the Auto industry, the Tyre industry numbers tell a different story. Based on data available with the Automotive Tyre Manufacturers' Association (ATMA) for nine months, the growth drivers of the economy, the truck and tractor segment saw a reduced production by the tyre majors. Production levels in the Medium and Heavy Commercial Vehicles (M&HCV) segment declined by 3%, while the Light Truck segment was down by 8.6% in volume terms. Low cost Chinese imports ate into the Truck Bus Bias (TBB) share resulting in the overall fall in volumes for the Indian truck tyre manufacturers. The problem was further compounded by the poor monsoon season across the country, resulting in low demand and production for tractor rear tyres. The bright spark for the industry was the PV and two and three-wheeler scooter tyre segments pushing the overall industry growth rate to around 4% for a period of nine months.

With a growth rate of 0.9% and 1.4% for the Euro Area (19 European countries) and the European Union (28 European countries) respectively for Calendar Year (CY) 2014, the regions continued their ascent in CY15. The Euro Area grew by 1.6%, while the European Union (EU) posted a rate of 1.9%, as estimated by Eurostat. Consumer spending was the main growth driver leading to the 'best' performance of the region since 2011. Germany continued to lead the charge as the economy expanded by 1.7% in 2015 due to strong national consumption and booming exports to the U.S. which helped it defy headwinds from other key export markets.

The strong economic growth led to a corresponding growth in the automobile segment. According to the European Automobile Manufacturers' Association (ACEA) estimates, registration for new commercial vehicles in EU was up by 12.4% in CY15. The charge was led by

THE COMPANY
ACQUIRED THE
GERMANY-
BASED TYRE
DISTRIBUTOR,
REIFENCOM
GMBH TO
SUPPORT
ITS PLAN OF
RAMPING UP OUR
RETAIL NETWORK
IN EUROPE.



Launch of Dealer Partnership Programme across Europe with simultaneous opening of shops in Belgium, Hungary, Italy and the Netherlands

REGISTRATION
FOR NEW
COMMERCIAL
VEHICLES IN EU
WAS UP BY

12.4%
IN CY15

SOURCE: European Auto
mobile Manufacturers'
Association (ACEA)

the Heavy Commercial Vehicles above 16 tonnes which posted an impressive growth of 19.4%. Continuing the strong growth story of CY14, new car registrations increased by 9.3% in the region.

The tyre sector, in parts, mirrored the gains of the auto industry. According to numbers from European Tyre & Rubber Manufacturers' Association (ETRMA), Original Equipment Manufacturer (OEM) shipments for PV and CV posted impressive growth numbers of 6% and 10% respectively for CY15. The dampener was the continued warm winter, now for the 4th year in a row, which dented the growth story as the winter tyre segment de-grew by 4% in CY15 as compared to CY14. Replacement market for both the segments saw average growth rates of 3% and 4% for PV and CV respectively. Low cost imports adversely impacted the Agricultural tyres sales which continued its negative trend.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India continues to be a two and three-wheeler market in terms of volume. However, it does not mirror the state of the tyre market. As per data from the Society of Indian Automobile Manufacturers (SIAM), two and three-wheeler segments account for over 83% of the total domestic sales in volume terms. However, in the tyre market, this segment accounts for a much

lower 52% of the total units sold. Also in terms of tonnage and value perspective, the other segments (tyres for the M&HCV, PV, LCV/SCV and tractors) call the shots in the industry. In volume terms, the passenger car tyres accounts for 28% of the total volume sold, followed by M&HCV segment which accounts for another 11% of the total volume. The replacement market continues to support the tyre makers as it accounts for 72% of M&HCV and 57% of PV segments respectively.

Imports are part of all businesses, however in recent times, it has been the low cost Chinese truck tyre imports which have become a serious impediment to the Indian tyre manufacturers.

Currently, with the slowdown in China, the country is facing a problem of plenty in the tyre sector due to large installed capacities. The Chinese tyre manufacturers are desperately seeking other markets to push their products, whatever be the cost. Without any regulations to check these large-scale imports, the Chinese low cost tyres are having a run in the Indian market. According to estimates, China accounts for nearly 90% of truck radial imports and 46% of passenger car imports. The Chinese truck radial imports constitute close to 27% of the Truck Bus Radial (TBR) replacement market and are cheaper by 25% to 40%, making them even

cheaper than Indian bias tyres. This influx is resulting in the faster demise of the Truck Bus Bias (TBB) segment due to lack of Government intervention and the altered dynamics of the Indian market.

Compounding the problems of the Indian tyre manufacturers, the year saw the Government of India make a few policy changes which adversely affected exports. Firstly, the import of natural rubber under the Advance Licence Scheme was disallowed in the last quarter of the FY16. This affected the cost competitiveness of exports as natural rubber attracts a customs duty of 25%. Further, the export obligation fulfilment period was reduced to 6 months from 18 months. This has added pressure on the Indian tyre manufacturer in light of the weak global market conditions and competition from China. Adding to the woes of the tyre players, the Government restricted the imports of natural rubber only to Chennai and Nhava Sheva seaports, thus imposing extra logistics and handling costs. Some impact from the aforementioned actions will be seen in the current fiscal year. However, due to the overall demand supply situation, FY16 continued to see soft natural rubber prices during the year due to weak global demand.

A significant trend, which highlights the pressures faced by the industry, is the drop in tyre selling prices. While the selling prices had remained stable for the past two years, FY16 saw a significant drop in prices with manufacturers passing on the benefit of raw material prices to the consumers.

For CY15, the European market saw the overall PV tyres growing by 4%. The key highlight of the year was the stellar growth of 13.5% in the replacement market for the SUV segment. Despite the warm winter and unlike the car segment, this segment saw the growth even for winter tyres in the non-OEM segment. This is in comparison to a drop of 3.7% in the car segment for the winter tyres in the replacement segment. Further, the European passenger market saw the growing importance of the all-season tyres with almost all tyre majors focused on this important segment. Continuing with the trend of CY14, the year saw the growing impact of the internet, both on B2B, due to higher price transparency, as well as on B2C. At the same time, the market saw major initiatives by all the tyre majors to bring products and end-consumers together which are pushing the retail business from a service-led approach.

The Chinese low cost imports were a harsh reality even in the European market. This along with the lower raw material prices saw pressure on selling prices.

SWOT ANALYSIS

Strengths

- Apollo Tyres has the advantage of a diversified market base across geographies, and is therefore, not solely dependent on a single domestic market. Furthermore, the Company is working to establish and grow operations in other large international markets as well.
- With an entry into the two-wheeler tyre segment, the Company is now a full range tyre player in India and can service this large and growing two-wheeler tyre segment.
- The Company is powered by strong global product brands in its key markets – Apollo and Vredestein.
- Apollo Tyres enjoys an extensive distribution network for its key brands across its two key markets India and Europe.
- In Europe, the Company's brand 'Vredestein' has an established presence and enjoys a reasonable premium positioning in Ultra High Performance (UHP), winter and all-season passenger car tyre segments.
- Test results in 2015 across segments were excellent - number one position for Quattrac 5 in All-Season test, test winner Sportrac 5 in the summer segment, Ultrac Satin in the premium segment and highly recommended rating for Ultrac Vorti. These results will help in building a stronger position in the market.
- The Company is a leading player in the Indian Commercial Vehicles 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.
- A global and culturally diversified management team is driving growth across geographies.

STELLAR GROWTH

13.5%

stellar growth of 13.5% witnessed in the replacement market for the SUV segment

- The presence of modern Research & Development (R&D) facilities for PV and CV tyres will play a key role in bringing cutting-edge technology and innovation to drive growth for the Company.
- Increased spends on building the corporate brand including Apollo Tyres' association with Manchester United is starting to make Apollo a globally recognised brand.
- The Company has acquired reifencom GmbH, one of the largest tyre distributors in Germany.
- The Company can convert excess bias capacity into more profitable industrial tyres capacity and tap into a new product segment.
- The Company is talking to auto majors for OEM fitments in Europe. This will establish the brand even more strongly and drive significant growth in the European market.
- The Company will look at introducing products and make an entry into the European Truck and Bus segments.

Weaknesses

- The Company is currently not present in the European OEM market for regular passenger car tyres, which to a certain extent drive the replacement market sales.
- The Company still needs to establish a larger presence in new growing geographies to reach economic sized operations.
- The Company is currently unable to effectively block low quality low cost Chinese tyres through Government intervention which has led to pricing pressures.

Opportunities

- In India, Apollo Tyres enjoys an 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.
- The Company's Apollo branded PV tyres are being sold in Europe and this could develop into a sizable market for the same, leveraging its already existing network in Europe.
- With the announcement of Apollo's Greenfield plant in Hungary, the Company is positioned to grow in the European market due to a new cost competitive manufacturing facility.
- The Company continues to increase its focus towards new geographies like the Middle East and South East Asia. These will be our growth avenues for the future.

Threats

- Economic downturn or slowdown in the key markets – Europe and India - can lead to a decrease in volumes and capacity utilisation.
- Increased competition from global players like Michelin and Bridgestone in India.
- Increased competition of truck radial imports from China resulting in a quicker than expected decline in volumes within the TBB segment thereby creating redundant capacities requiring investment to convert into other product segments.
- Continued threat of raw material price volatility, translating into pressured margins, if raw material prices rise.
- Weak Indian currency resulting in pressure on margins, since the company is a net importer.
- 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- APMEA (Asia Pacific, Middle East and Africa) and EA (Europe and Americas).

In FY16, the APMEA operations focused on certain key themes for the Indian market- consolidating its leadership position, expanding market share and becoming a full range player.

The year saw Apollo Tyres maintaining its leadership position in the Truck and Bus (TB) segment. Even as the Indian market was flooded with low cost TB imports, the Company's robust

and quality product portfolio ensured that it led the market with over 25% market share. Customers acknowledge the Company's TBR tyres as the best in the market on both counts—quality and value. This endorsement saw the company grow 12% in the TBR segment. The strategy of investing in radial technology is paying significant dividends as the Company is not only a leader in the replacement market, but has shown steady growth and increased market share in the OEM space. Again, this is a testimony of the high product quality as major OEMs including Tata, Eicher and Bharat Benz continue to use Apollo tyres as OEM fitments.

The expected outcome of the low cost TBR imports, primarily from China, has led to the steady decline of the overall TBB market. Nevertheless, the Company still maintained its strong position in this segment with a 25% market share. Despite the decline of the TBB market, the Company still believes in the market potential of this segment. FY16 saw the introduction of XT-7 Gold HD, a new bias truck tyre with improved durability for moderate to high load applications. Such product portfolio expansion gained customer appreciation and helped add to the Company's market share.

To expand its market share in the CV segment, the Company introduced many products based on specific applications in various segments. For instance, it launched the bias product for the pickup segment. Another initiative in this regards was to expand its network of Commercial Vehicles Zones. These CV Zones stand out in the market place to provide the best-in-class tyre service to commercial truck and bus owners. A major development by the Company was its entry into the tyre retreading segments with its branded Apollo Retread Zones. A significant milestone in creating value and delight for the customers, this business grew by 18% during the year.

The Company continued its customer engagement programmes with various stakeholders in the CV segment throughout the year. These included high impact engagement programmes like 'Apollo Aazadi Ke Rang' in August 2015 to celebrate the Indian Independence day. Further, a road show was conducted across India for small commercial vehicle owners in 15 states and over 600 towns called 'Load ka Champion'. The campaign's objective was to create brand awareness and to reinforce category positioning of 'taking on any load'.

APOLLO TYRES
MAINTAINED
ITS LEADERSHIP
POSITION IN THE
TRUCK AND BUS
SEGMENT.

apollo

BRING THE ZING BACK IN YOUR RIDE

INTRODUCING APOLLO ACTI SERIES BIKE TYRES FOR ALL SURFACE PERFORMANCE

actiZIP actiGRIP actiSTEER

www.apolloactiseries.com; Follow us on

Apollo Acti series tyres available for Scooters and Motorcycles

Launch of two-wheeler tyres in India

apollo



GO THE ————— DISTANCE

In its other key segment, PV, FY16 saw the launch of the much talked and appreciated passenger car radial tyre range - Amazer 4G Life. Designed to give 1 lakh kilometres mileage, this product was released after extensive product testing across different geographies in India. The product has received immense acceptance and accolades across the country from passenger car and commercial operators and Apollo's business partners alike.

Like the engagement for the commercial vehicle stakeholders, the PV segment too saw various customer and network programmes and customer friendly policies like unconditional warranty. To increase product availability, the Company ramped up its branded Apollo Zones and Points outlets across the length and breadth of the country and now has a branded retail footprint of 230 outlets.

These programmes coupled with the solid performance and wide availability of the product helped the Company grow by 6% over FY15 in the replacement segment.

From an OEM perspective, FY16 played out well for the Company. The company gained fitment on almost all newly launched vehicles including premium cars like Volkswagen Passat and Skoda Superb. Other OE fitments included Baleno and Vitara Brezza from Maruti Suzuki, Mahindra's TUV, Tata's Zest, Renault's Lodgy and Aspire from the Ford stable, to name a few.

In the Off Highway tyres segment, the Company's focus on the Industrial segment with its strong product range helped Apollo grow by 45%. Due to the poor monsoon season, there was a reduced demand for rear tractor tyres and even as the segment de-grew, Apollo managed to garner additional market share. To connect and reach out to new customers in the rural market, the Company participated in various trade shows and exhibitions and initiated multiple customer engagement activities. Apollo joined hands with ITC to access their 2,000 strong e-Choupal network across major states like Uttar Pradesh, Madhya Pradesh, and Maharashtra and conducted on-ground activities. Further, the Company showcased its product in 150 locations across Maharashtra during the launch of Mahindra & Mahindra's new tractor Arjun Novo launched on Apollo Tyres.

Apollo innovative 'Van Campaign' to educate and engage with end-users won the Silver recognition in the 'Flame Awards' organised by the Rural Marketing Association of India.

For the Indian market, the year ended with Apollo's grand launch of the Apollo ACTI Series tyres for the two-wheeler segment. Designed and developed at the Company's Global R&D Centre in Chennai, Apollo ACTI Series for bikes and scooters mark a milestone for Apollo Tyres as the entry into this segment makes the Company a full-range player and will support the Company in cementing its leadership position in India.

As part of the high-decibel marketing campaign for the launch, the Company also leveraged the digital medium extensively to reach out to its core target audience. It is important to highlight that the Company's launch event trended at the #1 spot in India on Twitter.

The Company continued to build brand visibility with specific promotional campaigns that were carried out in conjunction with Manchester United reinforcing our commitment to football in India.

The tie-up with Manchester United was leveraged further with the launch of the special 'Go the Distance' football pitch in Mumbai and the Manchester United Soccer School initiative in Delhi. This turf of the pitch in Mumbai has been made from recycled rubber and is the second pitch after Old Trafford and the first one in India to showcase the Company's commitment to provide a football playing area in the cities.

Outside of India and within the APMEA region, the Company focuses on two key markets-ASEAN and the Middle East. It has been a challenging year for the APMEA markets outside India, given the slow moving economies and the looming threat of low cost Chinese imports. Nevertheless, Apollo's investments in the market in ASEAN have started paying dividends and the region has shown a strong growth in TBR and in the PV segments. The Company continues to build visibility in the Middle East market which saw the opening of branded retail outlets in Jordan, Lebanon and Turkey.

The EA operations began FY16 with a bang. The Company's summer tyres, Vredestein Sportrac 5 and Vredestein Ultrac Vorti, were

VARIOUS
MARKETING
INITIATIVES IN
THE PV SEGMENT
HELPED THE
COMPANY GROW
BY

06%
OVER FY16



rated highly by various independent European tyre tests, highlighting the excellent results on dry handling, low sound levels and lower fuel consumption. With a focus to consolidate the all-season tyres market share, the Company expanded its popular and highly rated Vredestein Quatrac 5 range with the Y-speed index and a SUV version. The Company also undertook a high decibel marketing campaign to introduce the new Vredestein brand positioning, targeting a younger audience who love their cars and enjoy driving. The operation launched its biggest (in the over 100-year history of Vredestein) online campaign, #ROCKTHEROAD. This campaign aimed at increasing Vredestein's visibility in the 25 to 45 age group by highlighting Vredestein's premium offerings. The campaign's route of music and the extensive use of social media enabled the operations to establish a strong brand presence within the target group. As part of the premiumisation strategy for the EA operations, the Company aims to cover new channel penetration (like OE fitments), new customer acquisition programmes and new retail

formats. During the year, the Company launched its Dealer Partnership programme in Europe and four new outlets were opened simultaneously in Belgium, Hungary, Italy and the Netherlands. Many more stores are planned for Austria, Germany, Spain and Switzerland in the coming months. The eventual goal is to have 800 programme partners by 2020 throughout Europe. In line with the strategy to build a strong retail network, the Company acquired the Germany-based reifencom GmbH. The brand reifen.com, is one of the leading tyre retail organisations in Germany with 37 stores nationwide, 2,500 assembly partners in Germany, an online portal www.reifen.com, and online activities in Austria, Switzerland, France, Italy and Denmark. This acquisition will support the growth of our retail network in Europe and will allow the Company to develop clear benefits for established partners in the German and European tyre trade.

A strong role by the Company's Research & Development (R&D) team was instrumental in bagging top ratings for products across segments



A STRONG
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ACROSS
SEGMENT-
SUMMER,
WINTER, ALL-
SEASONS AND
AGRICULTURE IN
EUROPE.

– Summer, Winter, All-Seasons and Agriculture. Despite the solid product portfolio and top ratings by various industry/media bodies, EA operations witnessed de-growth in volume terms due to various external and internal challenges. Also, the 'Space Master' segment volume was adversely impacted by lower demand from Volkswagen Group during the year. In the second quarter of the fiscal, the operations suffered a maintenance breakdown and the Company lost valuable days and production. Given the focus on building capacity and capability to service the OEMs, the Company dedicated a part of its production for R&D work to build products for the OEMs. The above factors resulted in less production and consequently impacted the sales volumes. Sales during the last quarter of the year was impacted due to teething troubles with the SAP system introduced from January causing issues with inventory and dispatches.

OUTLOOK

Uncertainty and pessimism have dominated the economic and business news in FY16. This fiscal seems no different. IMF has already made a downward revision of the global growth by 0.2% to 3.2%, relative to its January 2016 World Economic Outlook update. Beyond India and a slowing and uncertain China, the economic outlook of other growth engines namely Brazil and Russia has deteriorated rapidly in the past few months. IMF projects the recovery to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies, as conditions in stressed economies start to gradually normalise.

However, the forecast for India continues to be bullish. Even though the IMF lowered the global economy forecast, it has retained the India growth forecast at 7.5% for FY17. Monsoon



THE COMPANY
OPENED A NEW
R&D OFFICE IN
FRANKFURT,
GERMANY.

rains have been forecasted as normal, with hopes of a sharp turnaround in rural demand. From the perspective of the tyre industry, one can expect an increased demand in both the Agriculture and CV category led by OEM growth. Adding to the bullishness is the improvement of investment conditions due to lower borrowing costs and a more enabling business environment brought about by a better Ease of Doing Business ranking by the World Bank. While some inroads have been made in reforming the fiscal policy such as the rationalisation of fuel price subsidies, the implementation of the Goods and Services Tax could pose a hurdle. Domestic consumption is likely to see a boost from the implementation of the 7th Pay Commission recommendations and One Rank One Pension for the armed forces. A softer interest regime will further fuel consumer sentiments.

Europe is expected to see a moderate growth rate even as the outlook remains slightly weak. Moreover, the exact impact of the slowdown in China and the emerging economies, which account for a quarter of the euro-zone exports is yet to be seen. This could hurt the overall recovery as it will be a negative play for the exporting countries. Germany, in particular, will be affected since the Chinese market has been a lucrative one for its exports of investment goods and luxury cars.

Nevertheless, the recovery is expected to be on a firm footing due to key factors. These include the continuing soft energy prices providing a boost to the real incomes of households and consumption fuelling growth. Further, it is expected that the European Central Bank will continue to have an accommodating monetary policy.



Vredestein introduces three new types and range extension at Agritechnica

Apollo Tyres will continue its three-pronged strategy of:

- Looking at consolidating its position in existing markets and seeking new markets/new segments;
- Continued investment in both the brands-Apollo and Vredestein and capacity expansion via Greenfield facilities, plant expansions/ upgrades; and
- Seeking other growth opportunities.

For EA operations, the building blocks for the next level of growth have been set up. In the last quarter of FY17, the Company will start production in the Hungary plant. With two plants offering product optimisation and cost advantages, the Company can now expand its presence in Europe on even terms with its competitors. The Company is actively engaging with the leading OEMs in Europe and will

leverage its OEM associations in India for the same. Further, with reifencom GmbH within the fold, integration plans are on and this will boost our dealer network programme and provide entry into various other European markets. To make an entry in the OEM market, the Company has opened a new R&D office in Frankfurt, Germany. This office is staffed with test drivers, OEM engineers, etc. with a focus on being closer to its customers in the region. Further, as part of an evolving technological roadmap, the Company has strengthened its Bengaluru, India office. A dedicated team of highly skilled electronics and tyre engineers have been assigned to work towards the development of the Company's future generation of intelligent tyres.

For the APMEA operations, with the expected growth in the Indian economy, the Company will reap the dividends of its investment in the plant expansion. The Chennai plant will provide additional capacities in the fast growing TBR

THE CHENNAI PLANT WILL PROVIDE ADDITIONAL CAPACITIES IN THE FAST GROWING TBR SEGMENT.

segment. The Indian operations continues to explore avenues for the TBB segment within India and outside of the country. The company remains bullish on its outreach in other markets in APMEA and the expected double-digit growth from these markets.

RISKS AND CONCERNS

The key factor in determining a company's capacity to create sustainable value is the company's ability to manage the risks in its business/ environment effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed. The Board of Directors has constituted Risk Management Steering Committee which operates with the following objectives:

- Proactively identify and highlight risks to the right stakeholders;
- Facilitate discussions around risk prioritisation and mitigation;
- Provide a framework to assess risk capacity and appetite; develop systems to warn when the threshold is getting breached; and
- Provide an analysis of residual risk.

Apollo Tyres' Risk Management Steering Committee has listed the Company's key risks and opportunities below:

A) Raw material price volatility

- Natural rubber is an agricultural commodity and subject to price volatility and production concerns.
- Most other raw materials are linked to crude oil and thus impacted by the movement in crude oil prices.
- Both natural rubber and crude oil prices are controlled by the external environment and little can be done to control the raw material price movement internally.

B) Ability to pass on increasing cost in a timely manner

- Demand supply situation must remain in favour of the industry to enable it to undertake price increases.

- This is further impacted by competitive activities and a general reluctance to make significant price hikes at one go.

C) Continued economic growth

- Demand in the tyre industry is dependent on economic growth and/or infrastructure development. Any slowdown in the economic growth across regions impacts the industry's fortunes.

- In Europe, the Company's winter tyre sales are subject to seasonal requirement, which can be adversely impacted in case of a mild winter season.

D) Radialisation levels in India

- 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.
- 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.

E) Future Growth

- Lower profitability due to some of the above factors impacts the ability to invest in future growth.
- Increased competition from global players like Michelin and Bridgestone in India.
- Surge of Chinese TB tyre imports impacting company's business in CV category.

F) Manpower Retention

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

G) Labour Activism

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

THE COMPANY'S RISK MANAGEMENT PROCESSES FOCUSES ON ENSURING THAT THE RISKS ARE IDENTIFIED ON A TIMELY BASIS AND ADDRESSED.

INTERNAL CONTROLS AND SYSTEMS

The Company believes that Internal Controls is one of the key pillars of governance. It judiciously provides freedom to the Management within a framework of appropriate checks and balances.



Apollo Go The Distance Scholarship programme

Apollo Tyres has a robust Internal Control framework, which has been instituted considering the nature, size and risks in the business. The framework comprises, inter alia, a well-defined organisational structure, roles and responsibilities, documented policies and procedures, etc. Information Technology related policies and processes are regularly updated to ensure that they mitigate current business risks. This is complemented by a Management Information and Monitoring System, which ensures compliance to internal processes, as well as, to applicable laws and regulations.

The Company's internal control environment provides assurance on the efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy

and completeness of accounting records and the timely preparation of reliable financial information. The Company uses SAP-Enterprise Resource Planning software as its core IT system. The Operating Management is equally responsible for driving revenue and profitability, along with the maintenance of financial discipline and hygiene.

To ensure efficient Internal Control systems, the Company has a well-established, independent in-house Internal Audit function that is responsible for providing assurance on compliance with operating systems, internal policies and legal requirements. It also suggests continuous improvements in systems and processes which include the adoption of the best-in-class processes, automation and implementing the latest in Information Technology and Tools.

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 therein. The estimates and judgement relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements are reflected in a true and fair manner and also reasonably present the Company's state of affairs and profit for the year.

(₹ Million)

Particulars	Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Standalone		Consolidated	
1. Revenue from Operations				
Gross Sales	96,194	98,773	127,108	137,247
Less: Excise Duty	10,030	9,990	10,030	9,990
Net Sales	86,164	88,783	117,078	127,257
Other Operating Income	852	891	852	897
2. Other Income	536	375	701	538
Total	87,552	90,049	118,631	128,692
3. Total Expenditure				
• Decrease / (Increase) in Finished Goods & Work-in-Process	1,266	197	(52)	634
• Consumption of Raw Materials / Purchase of Stock in Trade	48,655	56,794	59,686	70,120
• Employee Benefits Expense	5,665	5,451	15,870	16,106
• Other Expenses	15,822	14,076	22,744	21,988
Total	71,408	76,518	98,248	108,848
4. Operating Profit	16,144	13,531	20,383	19,844
5. Finance Costs	883	1,721	916	1,828
6. Depreciation & Amortisation Expenses	2,686	2,468	4,239	3,883
7. Profit before Exceptional Items & Tax	12,575	9,342	15,228	14,133
8. Exceptional Items	-	-	478	(825)
9. Profit After Exceptional Items & Before Tax	12,575	9,342	15,706	13,308
10. Provision for Tax				
• Current	3,654	2,545	4,319	3,535
• Deferred	396	346	457	(3)
• MAT Credit	-	-	-	-
Total	4,050	2,891	4,776	3,532
11. Profit after Tax	8,525	6,451	10,930	9,776
12. Share of Loss in Associates / Minority Interest	-	-	-	-
13. Net Profit	8,525	6,451	10,930	9,776



DEVELOPMENT IN HUMAN RESOURCES (HR) & INDUSTRIAL RELATIONS

As Apollo Tyres continues with its journey of profitable growth, building a high performance culture is no longer a choice but an imperative. FY15 saw the organisation creating several new key positions worldwide and inducting senior leaders in these functions including Martha Desmond as head of HR. Under Martha's guidance, the HR function has further strengthened its position as a strategic partner in the growth and globalisation journey of the Company.

As the Company continued to increase its global footprint, managing the workforce became a key need. During the year, the Company successfully redeployed and recruited over 400 employees in R&D, the Hungary Greenfield project and for APMEA customer facing roles.

To support the APMEA operations and to recapture and increase market share in the CV category, HR developed a Customer Champion programme. HR recruited over 100 people from all over India and trained them for three months in a boot camp styled environment,

which exposed them to technical, functional and leadership training.

Global mobility of employees has enabled them to achieve their career and personal aspirations of development and growth, thereby enhancing the Company's value proposition. HR continues to propel people development and job enrichment. FY16 saw the number of people sent for international assignments rise from 14 to over 77. This has helped to fully utilise the experience built within the Company and share it with various locations/functions across the globe. These efforts included shifting skilled manufacturing and project managers into Hungary from Chennai to assist transfer knowledge for the Greenfield plant. Similarly, new Hungarian employees were trained in Enschede and Chennai ahead of the new plant opening in the first quarter of CY17. The fiscal year also saw shifting of a few core functions with a regional scope from Enschede to Amsterdam. In this way, future access to greater international talent will become easier.

Given the dynamics of the fast changing markets, building and rebuilding capability and capacity

FY16 SAW THE NUMBER OF EMPLOYEES SENT FOR INTERNATIONAL ASSIGNMENTS RISE FROM 14 TO 77 WHICH HELPED FULLY UTILISE THE EXPERIENCE WITHIN THE COMPANY.



Apollo Tyres' pavilion at Dubai International Motor Show

have become essential for the survival and growth of any company. At Apollo Tyres, workforce development is one of the most important responsibilities of the HR Team. For FY16, the team continued to run the Aspire programme to develop team members through a structured three-month development programme. In association with the prestigious management institute, IMT Ghaziabad, India, the Aspire programme supports the APMEA operations to easily transition employees from production to sales or customer service. In FY16, 34 people from various plants were adequately trained and successfully placed in their new roles. On similar lines, the HR Team has developed an intensive twelve-month programme for R&D to help functional employees understand, examine and solve business challenges. A mentoring-based programme has also been initiated wherein a small group of 5-6 trainees take up cross-functional projects and work under mentors to arrive at business solutions. The newly established Global Manufacturing and Quality teams have initiated the Apollo Manufacturing System to develop, streamline and standardise training programmes from workman to senior management level.

For the EA operations, the HR Team has delivered nearly twice the amount of training delivered in the previous year. With over 2,300 training sessions during FY16, the team has covered a wide range of topics including vocational and academic training as well as upskilling operators and management teams on new IT and performance management systems.

As part of the Greenfield project in Hungary, each new shop floor operator has to participate in over 190 days of training in technical, theoretical and practical subjects. This is in addition to an intensive orientation programme which inducts them into the Company, ensures they receive safety instructions and provides an overview of the tyre industry.

To align employee goals to business objectives, a new performance management system called Horizon was introduced across Apollo Tyres in FY16. The new process aims to provide more context and linkage to Apollo's strategic values for in-year goals and objectives. In addition to performance management, Horizon will also include a formal review of employees' development needs to aid people development,



Apollo Tyres awarded with the Certificate of Recognition for 'Excellence in Corporate Governance' in the 15th edition of ICSI National Award 2015

succession planning and talent management. The objectives that will be set across the organisation will include hard deliverables that support Apollo's strategic direction, and will also incorporate the Apollo values to ensure that we focus on what we achieve and how we achieve it.

In line with living the 'Communicate Openly' value, one of the six values followed at Apollo Tyres, regular communication forums between the employees and senior management, at global and regional levels, took place during the fiscal year. This has been an important and effective tool in building informed and motivated employees; to help them understand the bigger picture; and align themselves with business objectives. Further, direct communication about the Company strategy is carried out regularly as a step towards assisting self-managing teams to make appropriate decisions.

During these times of change, attrition levels for Europe have remained stable. However, our APMEA operations have seen an increase in attrition. The main reason for this is the fierce competition around the Chennai plant area where other tyre competitors and manufacturing companies appreciate our highly trained workforce. The positive change in the economy is also creating greater opportunities.

In 2015, the APMEA operations started to de-layer its sales organisation structure in India with the view to ensure empowerment among employees, enable quick decision-making,

encourage an entrepreneurial spirit and ensure last mile communication. This revised structure also helped to reduce the supervisory levels. In our APMEA plants, to manage our workforce efficiency, we have explored various initiatives that are all playing their part to increase productivity. The activities include installing low cost automation, process re-engineering, optimal outsourcing and value mapping.

In the EA operations, the Company is negotiating a new collective labour agreement with our social partners in the Enschede plant. The 'Drive to Success' programme, which is aimed at making the Enschede plant fully OE ready, has also been positive. The HR has formalised the manufacturing processes, upped the quality and consistency of the output and are developing specific capabilities within employees that aid in the continuous improvement of the quality of products and processes.

The sales teams across Europe have traditionally worked as independent organisations. During FY16, to support the sales teams' productivity, it was decided to agree on one set of key performance indicators for all countries. This streamlined the approach to incentives and aided in the better assessment of relative roles and responsibilities.

The HR team has worked hand in hand with the European Works Councils (EWC), building on our continued relationship which will go a long way in developing the organisation's line of strategic ambition.

THE COMPANY HAS DEVELOPED A CSR FRAMEWORK REVOLVING AROUND THE PRINCIPLES OF INVOLVE, INFLUENCE AND IMPACT.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sustainability and social responsibility are an inherent component of our corporate strategy at Apollo Tyres. We as an organisation have been very conscious of the triple bottom line coherence between people, planet and profit. Thus long before the Government started mandating social responsibility, the Company had developed a CSR framework identifying and prioritising its key stakeholders. This framework revolves around the principles of Involve, Influence and Impact, the 3 Is; and how it interacts with its key stakeholders - employees, customers, supply chain partners and community. The Company strongly believes that the objective of all CSR activities is to have a positive impact on the everyday lives of its key stakeholders and on business. Until and unless the same is achieved, it will not lend itself to sustainability.

Further, the CSR programmes and activities are aligned to national and international development goals, in particular related to Health and Environment. With this strategy, the Company CSR activities focus on two broad areas - Environment and Social.

Environment:

The Company undertook and implemented various environmental initiatives related to different focus areas. Under Waste Management, we undertook programmes like Clean My Transport Nagar, Clean My Village and Go the

Distance Playgrounds. We also contributed to the areas of Biodiversity Conservation and Climate Change Mitigation through plantation activities. We addressed the issues of Watershed Management including availability of drinking water and conservation of water bodies.

Social:

The Company supported various programmes with a positive social impact. These included Health initiatives such as HIV-AIDS awareness and prevention programmes, Vision Care, Promotion of Health & Sanitation. We also undertook Community Development related initiatives that aided livelihood and income generation and improved farming practices. Additional details of the various programmes are available in the Sustainability section of the Annual Report.

Besides focusing on these areas, the Company also undertook philanthropic activities in support of education of underprivileged girls and health care needs of poor communities in rural areas. We also provided financial aid to the victims of the Nepal earthquake and Chennai floods.

Considering our involvement and integrity towards CSR, the Company continues to be honoured by local and global bodies. In FY16, the Company was awarded the Asian CSR Award 2015 by the Asian Forum of Corporate Social Responsibility and the Global Green Future Leadership Award 2016 by the World CSR Congress.

IN FY16, THE COMPANY WAS AWARDED THE ASIAN CSR AWARD 2015 BY THE ASIAN FORUM OF CORPORATE SOCIAL RESPONSIBILITY.

Sustainability Report



Apollo Tyres Ltd acknowledges the significance of its performance in relation to the society in which it operates in and its impact on the environment, both now and in the future. This section gives an overview of our sustainability approach and how it is being embedded throughout our operations and our businesses.

PERIOD OF REPORT

The period covered for the purpose of this report is April 1, 2015 to March 31, 2016 and the reporting cycle is annual.

SCOPE OF REPORT

The information disclosed in this report relates to the operations of Apollo Tyres Ltd (hereafter referred to as 'Apollo' / 'Apollo Tyres' / 'the Company') in two regions – Europe and Americas (EA) and Asia Pacific, Middle East and Africa (APMEA). It primarily covers manufacturing operations, with the exception of the 'Care for Employees' section, which also discusses the non-manufacturing operations of the Company. This year, we have also included details of our project office site in Hungary within the employee section.

The manufacturing locations of Apollo are:

- EA Operations: Enschede in the Netherlands
- APMEA Operations: Chennai, Limda, Perambra and Kalamassery (leased unit) in India.

This report is based on Apollo's Sustainability Reporting Framework developed in 2014-15 which draws elements from ISO26000 and National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs).

The Company has made efforts to ensure disclosure on parameters which it considers to be consequential.

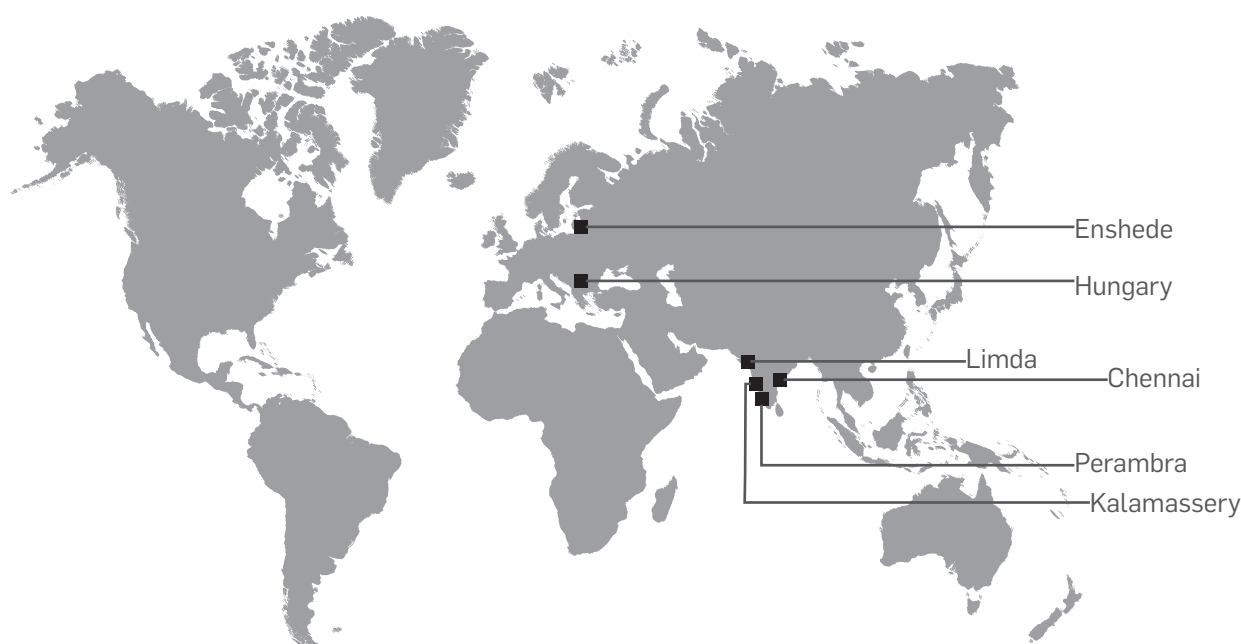
MANAGEMENT APPROACH TOWARDS SUSTAINABILITY

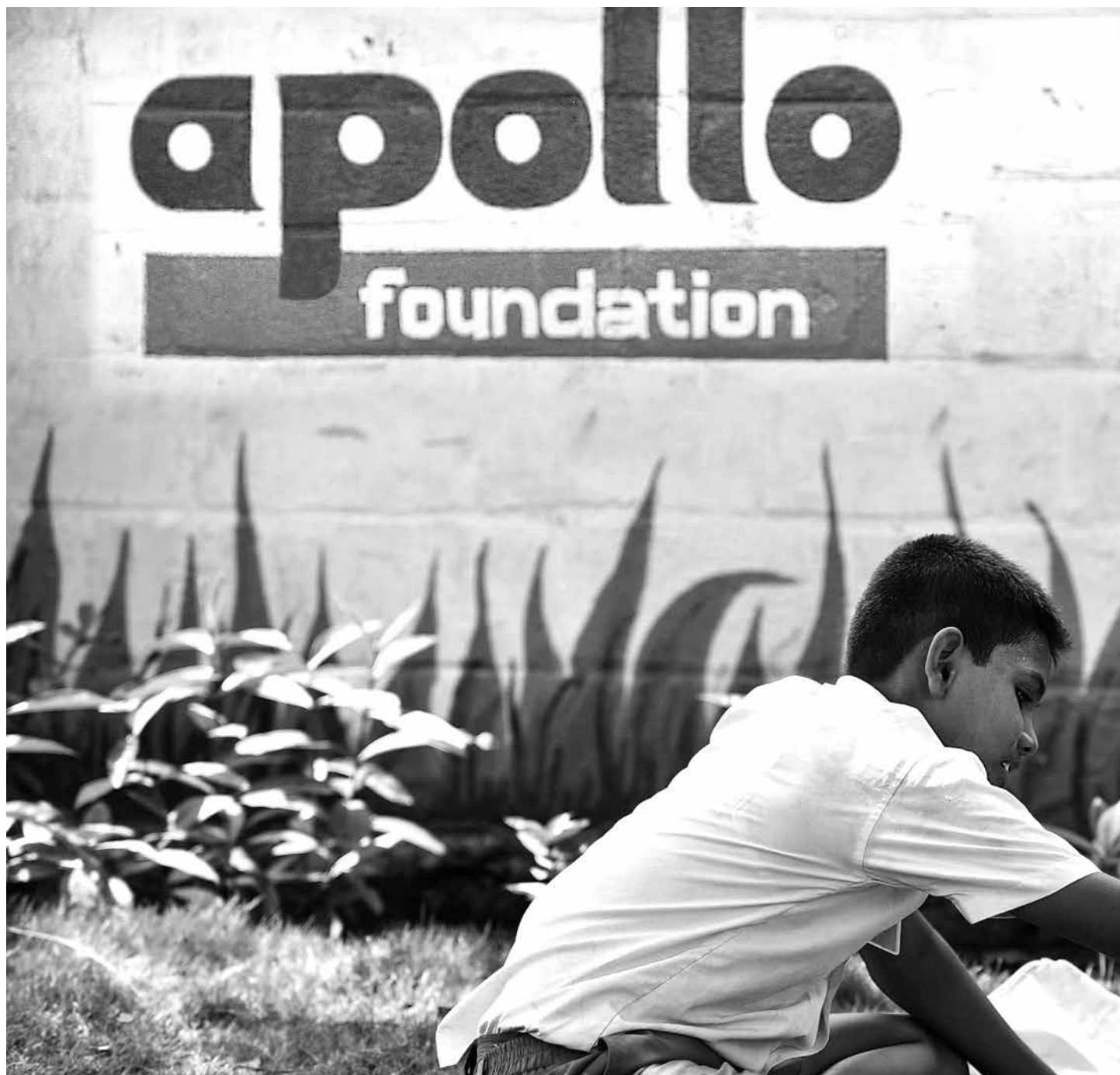
Over the years, depleting natural resources and their increasing demand due to rise in population, has led to the concept of sustainability gaining importance globally. Companies all over the world are paying closer attention to integrating sustainability into their processes and as a consequence sustainability reporting has become an important communication tool for companies to disclose their sustainability plans and performance and to enhance stakeholder confidence.

Apollo Tyres has embraced sustainable practices since 2010. Our yearly sustainability reporting has been instrumental in assessing our performance, benchmarking green practices and building stakeholder confidence and trust in the Company. We recognise the importance of our stakeholders and the society we operate

APOLLO TYRES
RECOGNISES THE
IMPORTANCE
OF OUR
STAKEHOLDERS
AND THE SOCIETY
WE OPERATE IN.

FIGURE NO. MANUFACTURING LOCATIONS OF APOLLO TYRES





in. The foremost objective of all our initiatives is to have a positive impact on the everyday lives of our key stakeholders, ranging from customers, employees, suppliers, dealers, community, the environment, and on business. Taking our sustainability journey further, this year, there were several initiatives undertaken to promote the judicious use of limited natural resources through projects that focused on renewable energy, water conservation and waste management in and around our manufacturing locations. The management is also conscious about building awareness on the subject of sustainability amongst employees in order to inculcate responsible behaviour amongst them.

Our Sustainability Committee, responsible for management of the sustainability statement and framework, continues to work towards achieving the sustainability goals set by Apollo Tyres.

WORKING TOGETHER

At Apollo, we strive to develop a trustworthy and long-term relationship with all our stakeholders employees, customers (OEM), consumers (replacement) and dealers, suppliers, investors and analysts, shareholders, regulatory bodies and community. The Company follows a process of seeking the views of key stakeholders and sharing outcomes, impacts and risk management procedure. This is important especially for

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program/policy where the key stakeholders have opposing views. This assists us in improving our decision-making process and in establishing accountability to them. The organisation's engagement with its stakeholders is highlighted in the section 'We Care'.

CARE FOR CUSTOMERS

Our customers are placed at the heart of the Company. Our belief also gets reflected through 'Customer First', one of the key values manifested in our work culture.

In our journey towards building trusting customer relationships, we achieved many

milestones. We have moved to a wider approach to address customer engagement, whereby we went beyond customer claim redressal and product testing. We sought to completely eliminate the scope for complaints of our products and services. Our competent and specialised CV Forza team continued to engage with the fleet owners.

The APMEA operation continues to invest in the Customer Services Department, which has members with specialised knowledge on products, technical expertise and commercial understanding to provide value added services to our customers. The department adopted

OUR CUSTOMERS ARE AT THE HEART OF THE COMPANY AND ALSO GETS REFLECTED THROUGH 'CUSTOMER FIRST', ONE OF THE KEY VALUES.



strategies which included developing Truck Bus Radial (TBR) leadership, educational drives on tyre care and maintenance, continuous improvements in Customer Service Index (CSI), organising drivers' welfare camps, educating customers and sharpening our 360° service approach which connects with all the customer service touch points

Customer Champion

Taking forward our 'Customer First' value, a 'Customer Champion Project' was initiated during the reporting period. The project plans to augment customer engagement, create awareness and retain preference by ensuring that our customers are happy, safe and knowledgeable about the products that they are using. Over a 100 hand-picked candidates were given intensive training for three and a half months in the classroom and on the job. These included technical, functional and leadership trainings on aspects related to tyres and vehicles, personality development, negotiation skills, presentation skills, OEM trainings, trainings for the Commercial Vehicles (CV) category to become 'Customer Champions'.

Customised Solutions for Fleet Owners

Our Forza team comprising of 50 young, qualified, dynamic and technically trained people conducted mission activities to enhance knowledge of all the touch points and in turn optimise product performance by imparting technical knowledge on tyre care and maintenance. The overall focus of the mission

activities was on customer engagement, product development and safety trainings.

Customer Safety

The health and safety of our customers is of utmost importance to us. While we strive to provide the highest quality products to our customers, we are equally concerned about their safety and adhere to international standards of product safety. With this in mind, we are constantly looking for customised solutions and innovations to give our customers the best and safest product experience.

In our EA operations, we make every effort to comply with the European Tyre Labelling (ETL) Regulation which requires display of information on fuel efficiency (carbon footprint), wet-grip (road safety) and external rolling noise (environmental pollution) of tyres. We have introduced a new product-line, Ultrac Satin, the successor of the Ultrac Cento. This new tyre is the best performing tyre on wet grip (showing an A-label) and for rolling resistance this tyre scores a B-label and C-label as compared to its predecessor with the C-labels and E-labels. This is a significant improvement in the properties of the tyre helping us in our sustainable journey.

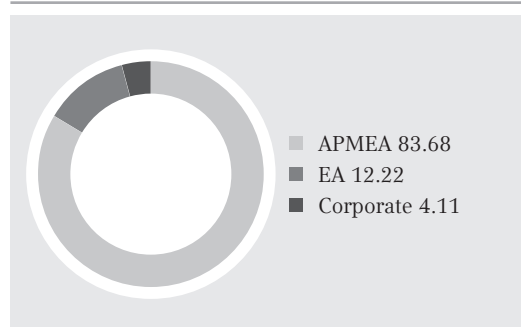
CARE FOR EMPLOYEES

Our employees are the true assets of the Company. They contribute towards the successful functioning of the organisation and strive hard to deliver their very best to achieve the assigned targets. We truly believe in the

ULTRAC SATIN IS THE BEST PERFORMING TYRE ON WET GRIP AND HAS IMPROVED ROLLING RESISTANCE, A SIGNIFICANT IMPROVEMENT AND HELPING US IN OUR SUSTAINABLE JOURNEY.

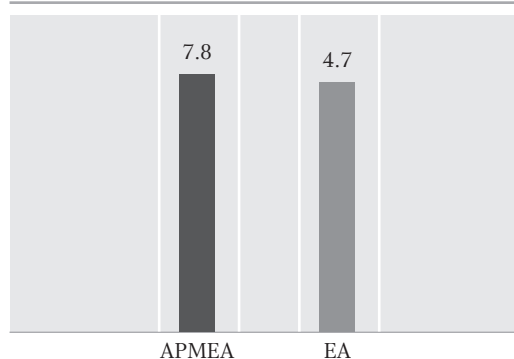
Total workforce as on April 2016: 15,078.
Figure No.

Break up of Employees in APMEA, EA and Corporate Offices, FY16 (%)



Break up of Operations-Wise Employee Attrition Rate, FY16

Break up of Operations-Wise Employee Attrition Rate, FY16 (%)



concept of 'One Family' and connecting with each other as 'One Team with One Dream'. Our beliefs, ideologies and practices are reflected in our work culture and these are constantly directing and guiding our employees in their journey within the Company.

Be it training, development and leadership programmes, the Company empowers Apolloites with the right knowledge and skills, evaluating and rewarding their performance, by ensuring that every effort is made towards their overall growth and development.

The Company has a strong employee base in all its operations, with majority of its workforce employed on a permanent basis.

At Apollo Tyres, it is our endeavour to ensure and provide employee benefits, maintain gender neutrality, facilitate collective bargaining and maintain a safe and healthy environment at all our operational sites. We follow labour policies compliant with the statutory and regulatory requirements for payment of wages and benefits.

Apollo Tyres believes in gender equality and follows an equal opportunity policy across the organisation. At all our operations, during the reporting period, at the entry level, the average basic salary was the same for both genders.

Training and Development

Training and development is of paramount importance at Apollo Tyres because it allows Apolloites to expand their knowledge base, acquire new skills, sharpen existing ones, perform better, increase productivity and become better leaders.

We undertake continuous efforts to improve our employees' capabilities by offering functional training programmes which are focused on our business imperatives.

During the reporting period, we continued to run the Aspire programme which develops team members from our shop floor into sales / customer service executives through a three-month structured development programme. In the APMEA region, employees received training on various aspects. At Limda, trainings were provided on behavioural and functional aspects and general awareness. At Perambra, our management and workmen received training related to the shop floor, SOP adherence, quality and technical aspects, HR and safety training. Technical, engineering and behavioural trainings were provided to our employees in Chennai. At Kalamassery, trainings on production, engineering, QA and technical aspects were imparted.

At our EA region, besides formal training and education, the R&D team has developed a twelve-month programme, wherein employees are trained in various areas while solving current business challenges. Our newly established Global Manufacturing and Quality teams are continuously monitoring the training and development of our plant engineers. Having completed a study in all the plants to check on existing processes, our new Apollo Manufacturing System (AMS) will be launched in the coming year, to develop, streamline and standardise training programmes from workman to senior management level.

APOLLO TYRES
BELIEVES
IN GENDER
EQUALITY
AND FOLLOWS
AN EQUAL
OPPORTUNITY
POLICY
ACROSS THE
ORGANISATION.

In the reporting period, we have conducted 2,300 training sessions at our EA region covering a wide range of topics including vocational and academic training as well as upskilling operators and management teams on new IT and performance management systems.

Human Development

We recognise the importance of human development and make conscious efforts to equip our employees with appropriate skills and enhance their capabilities by monitoring their performance and rewarding their work.

The objectives set across the organisation not only include the hard deliverables that support strategic direction, but also incorporate the values to ensure that we focus not just on what we achieve, but also on how we achieve it.

We use the Performance and Career Enhancement (PACE) system, an online platform linked to SAP. In 2016-17, a new performance management system called Horizon will be introduced in place of PACE. The implementation of Horizon will provide more context and linkage to Apollo's strategic values and help in achieving the organisational goals and objectives.

Performance appraisals are an important tool in realising the goals of our multi-year human resources plan, in which continuity of employment and the ability to react to changing circumstances is the responsibility of both individual employees and the organisation as a whole.

We believe that an ideal mix of talent and personal characteristics indicate if employees are able to address current and future change suitably and the ability to do so has a positive impact on career trajectories with regard to both employees and the Company. During the reporting period, all our permanent employees, including management and non-management, across all operations, received regular career development reviews.

Health and Safety at Work

We have been constantly working towards improving safety standards of our equipment by bringing in effective engineering controls and implementing projects which remove the need for manual interventions.

Apollo Tyres has always recognised the need for a safe and healthy work environment. We have instituted formal health and safety committees at the APMEA and EA regions, to ensure effective governance of health and safety performance.

However, despite the preventions and precautions taken at all levels to ensure safety at work, in our APMEA operations there were 327 injuries (including fatal and non-fatal) during the reporting period, which led to losing 4,194 man-days to injuries. This was however significantly lower than 2,172 accidents reported in the previous year.

In our EA operations, 13 man-days were lost due to 91 injuries. The loss rate due to injury was 3.16. The absenteeism rate was recorded at 6.11. Apollo Tyres is perpetually working towards reducing these numbers every year and ensuring the best possible working conditions for all its employees across operations.

There were no fatalities or occupational diseases in any of our operations in the reporting period.

Apollo Tyres has always been committed to the safety, health and effectiveness of its workforce. We have various health assistance programmes for employees and their families across the APMEA and EA regions.

The table (on page 9) gives details of the health related training and counselling programmes that were conducted during the reporting year.

In our EA operations, several serious disease prevention programmes were carried out for workers which covered education, training, counselling, prevention and risk control.

CARE FOR SUPPLIERS AND DEALERS

We recognise the importance of our suppliers and dealers/distributors in all our business operations and treat them like long-term business partners. We are committed to conduct business in a fair and ethical manner that promotes open and fair competition and helps maintain a healthy and profitable relationship.

Further, we continuously strive to enhance customer satisfaction by providing cost effective and quality raw materials on a timely basis, while working together with our supply chain partners on environmental, economic and social aspects to enable sustainable business practices.

THE COMPANY
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FORMAL HEALTH
AND SAFETY
COMMITTEES
TO ENSURE
EFFECTIVE
GOVERNANCE
OF HEALTH
AND SAFETY
PERFORMANCE.

HEALTH RELATED TRAINING AND COUNSELLING PROGRAMMES IN APMEA OPERATIONS, FY16

(₹ Million)

Serious Disease Programmes					
Plant Locations	Stakeholders	Education/Training	Counselling	Prevention / Risk Control	Treatment
Perambra	Workforce Members	Alcoholism, Occupational Illness	Alcoholism and HIV-AIDS	Alcoholism and HIV-AIDS	Alcoholism
	Workers' Families	Summer Camp / Employees' Wives Forum	Alcoholism and HIV-AIDS	Alcoholism and HIV-AIDS	-
	Community Members	-	HIV-AIDS	Alcoholism and HIV-AIDS	-
Limda	Workforce Members	Training/awareness given on the effect of noise and chemicals.	-	-	-
	Workers' Families	-	-	-	-
	Community Members	-	-	-	-
Chennai	Workforce Members	Awareness on HIV-AIDS, ill effects of tobacco usage and alcohol usage was imparted to all the employees and contractors during the induction training.	A qualified counsellor is appointed to give counselling for those who need information on serious diseases and methods to prevent it.	Engineering controls, periodic environment monitoring and periodic medical check-up are some of the measures taken to prevent occupation-related diseases.	No case of serious disease reported till date.
	Workers' Families	-	-	-	-
	Community Members	-	Geriatric counselling was provided to the senior citizens in the villages of Mathur, Oragadam and Sennakuppam.	-	-
Kalamassery	Workforce Members	Alcoholism, Occupational Illness	Alcoholism and HIV-AIDS	Alcoholism and HIV-AIDS	Alcoholism
	Workers' Families	Summer Camp / Employees' Wives Forum	Alcoholism and HIV-AIDS	Alcoholism and HIV-AIDS	-
	Community Members	-	HIV-AIDS	Alcoholism and HIV-AIDS	-

Supplier Partnerships and Management

Corporate purchase is a centralised function carried out from our corporate office which is mainly responsible for global purchase of raw materials and managing supplier relationships. We understand and recognise the value of building a sustainable future and we do everything it takes to contribute to it through all our business operations. We seek to establish green procurement standards in our procurement activities and in light of this we encourage our suppliers to develop their environmental systems in compliance with the requirements of ISO14001 and to get their systems certified by a third party.

Supplier audits are conducted at the time of selection of new suppliers and are also conducted regularly for existing suppliers as per a Standard Audit criteria. The scope of supplier audits covers various elements such as Quality Management System, Environmental Standards, Occupational Health and Safety Standards and others as per our Green Procurement Standards and Partner Code of Conduct. In the reporting period, 93 suppliers were audited based on the annual audit calendar out of which 27 suppliers were audited in the Health and Safety category. In case of non-

compliance during audit, suppliers are put on an improvement plan which helps enhance their efficiency and performance.

We believe that the supply chain is a key contributor in the development and implementation of Corporate Social Responsibility programmes and expects our business partners to demonstrate social and environmental responsibility in the conduct of their business. We have a specially designed Partner Code of Conduct (PCC) which integrates environmental, occupational health and safety, human rights and labour policies into our business and decision-making processes.

THE SCOPE OF SUPPLIER AUDITS COVERS VARIOUS ELEMENTS SUCH AS QUALITY MANAGEMENT SYSTEM, ENVIRONMENTAL STANDARDS AND OTHERS AS PER OUR GREEN PROCUREMENT STANDARDS AND PARTNER CODE OF CONDUCT

CSR Workshops for Supply Chain Partners

Stakeholder dialogue and management is essential for the growth of any organisation. We conduct CSR workshops with our supply chain partners to spread awareness about HIV-AIDS prevention and substance abuse with the help of our Corporate Purchase and CSR teams on a regular basis. In the reporting year 4 companies were covered and 97 participants out reached



Vision care project for truck drivers, Transport Nagar (hub) Delhi, India

Dealer Partnerships and Management

To engage with our business partners (dealers) and build their trust we have a relationship programme in place called the 'Apollo Value Club'. Building on our 'One family' theme, under this programme we provide our business partners with lifestyle benefits such as personal car, exotic vacations and multimedia products. The programme also provides customer development and commercial policy benefits along with recognition to our business partners.

Active management of business partners and providing them with a host of services to facilitate the processes helps us get the best results from them. Every month, an MIS on complaints is generated to tackle each issue or concern raised by our business partners, and this leads to strengthening the trust between us.

We also provided a host of training programmes to enable them to understand the products in depth. These include training on subjects such as logistics, customer perception and needs assesment, information on new schemes etc.

During the reporting period, we introduced a Dedicated Business Partner Service Center for our business partners in a few states on pilot basis to facilitate and support their day to day business requirements. The centre is staffed with extensively trained people who are proficient in communicating in local languages. This pilot has been very well received by our business partners and we plan to launch it nationally in April 2016.

CARE FOR COMMUNITY

We consider the communities around our plant locations to be important stakeholders. Care for the community and society is well engrained in our DNA and is an important part of Apollo's values. We continuously and consciously make efforts to align care for community with business sustainability.

Our programmes which have been categorised into - Environment and Social, are strategically aligned with local, national and international development goals.

A) ENVIRONMENTAL PROTECTION

We understand the significance of providing a healthy environment to our community. We are committed towards ensuring overall environmental sustainability, with an aim to make eco-friendly behaviour, green thinking and resource conservation a matter of habit across its

key stakeholders. Our umbrella initiative called 'HabitAt Apollo', is focused on making eco-friendly behaviour and green thinking a matter of habit within the organisation. As part of our environmental sustainability journey, we have initiated a number of projects centered around Biodiversity Conservation, Waste Management, Watershed Management and Climate Change Mitigation.

Biodiversity Conservation

Biodiversity has been identified as an important area of intervention under the environment programme. The outcome of the impact assessment study conducted in all the manufacturing locations led to the development of multiple projects. The projects ranged from establishing theme based gardens such as creation of butterfly zones to apiculture inside the plant and outside in the community in Kerala, India. At Hungary, part of the EA region, cleaning the meadows of Mátra Mountain was identified as a core area of work under biodiversity conservation.

Another way to expand our understanding on the dynamics of Biodiversity is by participating in forums and initiatives on the topic. We joined the Leaders for Nature (LFN) initiative of International Union for Conservation of Nature (IUCN).

Waste Management

We have identified waste management as a significant issue and as a result have developed projects: Clean My Transport Nagar, Clean My Village and 'Go the Distance' playground that have been added to the overall programme.

Watershed Management

Water is a vital ingredient for the survival of all living beings. There are increasing demands on the world's water supply. Population growth, water-intensive agriculture and economic development are consuming water faster than it can be replenished. We at Apollo contribute to this cause through our watershed management programme under which we focus on enhancement of water availability and its restoration and quality improvement.

Our current focus involves addressing the issue of shortage of potable water sources in vulnerable communities. To address this we have piloted a purified drinking water project for communities around the Chennai plant.

THE CSR PROGRAMMES HAVE BEEN CATEGORISED INTO ENVIRONMENT AND SOCIAL ARE STRATEGICALLY ALIGNED WITH LOCAL, NATIONAL AND INTERNATIONAL DEVELOPMENT GOALS

Eco-restoration and improvement of water bodies in the community is yet another project aimed at restoring and enhancing the aqua-biodiversity. Within this project, we have undertaken pond restoration at our locations in Chennai, Limda and Perambra. The activity includes water quality assessment, cleaning, deepening and binding of the ponds.

Climate Change Mitigation

Tree plantation and Livelihood Generation Programme

Our afforestation project has a two-pronged focus on carbon sequestration and livelihood generation for farmers in the water starved areas of Tamil Nadu. This project is being carried out in Kancheepuram, Tiruvannamalai and Tiruvallur districts in Tamil Nadu. Through this project we are on our way to plant 1,00,000 teak saplings by end of 2016. Till now total 73,000 saplings have been planted involving 73 farmers.

Renewable Energy: Use of Biogas

Within the Climate Change Mitigation theme of 'HabitAt Apollo', we are promoting the use of biogas in villages near our manufacturing location in Limda, Gujarat. We provided individual biogas units to households. This was a pilot project in the reporting period, and it will be scaled up in the next year (2016-17).

B) SOCIAL CATEGORY

Health Initiatives

We have identified Health as one of our key areas of intervention, wherein preventative health services are provided to the vulnerable sections including truck drivers and the communities around our manufacturing location. This area covers a range of public health activities focused on prevention of diseases and promotion of good health. The projects are directed towards creating HIV-AIDS awareness, providing vision care and implementing hygiene and sanitation methods, under the 'Swachh Bharat Abhiyan' directive.

1) HIV-AIDS Awareness and Prevention Programme

One of the key programmes managed by the Apollo Tyres Foundation is the HIV-AIDS awareness and prevention programme for truck drivers and the allied population residing in Transport Hubs (nagar). There are currently clinics at 25 locations across the country at major halting points (transport hubs).

These clinics provide services like medical treatment for sexually transmitted infections and general health problems, counselling, behaviour change communication, condom promotion, medicines, etc.

During the reporting period, we reached out to 3,84,186 people. 62,403 people, including truck drivers and allied population, were treated. 53,648 were counselled for HIV-AIDS. In all 13,052 HIV tests were carried out, of which 83 tested positive.

2) Vision Care

It is an undeniable fact that vision problems contribute to road accidents. To counter this problem we have recently initiated eye check-up camps for truck drivers and the allied population at transport hubs. Under this initiative eye check-up camps were organised at different transport hubs in partnership with local NGOs for drivers and the related population.

From this project 7,750 people were screened and out of this 2,164 people bought eye glasses.

3) Promotion of Health and Sanitation

As per the identified needs of the community in Mathur, Oragadam, Vallakottai and Senakuppam villages of Chennai, a project on health and sanitation was undertaken. The objective of the project is to reduce the habit of open defecation and also increase awareness on personal hygiene. Under this initiative 150 toilets were constructed

4) Other Health Initiatives

Apart from these major interventions, there were blood donation drives and hygiene improvement activities conducted during the reporting period, where water dispensers were distributed to the attendees.

Community Development

We firmly believe that unless the weaker and disadvantaged members of the community are empowered and made self-reliant, the community as a whole cannot progress.

1) Livelihood and Income Generation

This programme focuses on generating livelihood and improving the well-being of the community around our manufacturing locations. Under the banner of Project U programme, skill building and

AS AN OUTCOME OF THE TRAININGS, THE WOMEN IN OUR COMMUNITIES HAVE FORMED THEIR OWN WOMEN CO-OPERATIVE, AND SOME HAVE BECOME ENTREPRENEURS CREATING SUCCESSFUL STORIES OF THEIR OWN.

entrepreneurial development training is designed and made available to women and the unemployed youth around our manufacturing units in India – Chennai, Kochi and Vadodara.

As an outcome of the trainings, the women in our communities have formed their own women co-operative, and some have become entrepreneurs creating successful stories of their own.

In the reporting period, the livelihood programme provided skill building trainings to 210 women and unemployed youths, out of which 98 women have started earning their livelihood.

is to enhance their knowledge and skills in modern crop practices so as to increase their productivity and income. Basic training provided relates to seed selection, preparation of land, soil testing, organic compost making, methods of irrigation, perennial kitchen gardening practices, etc.

A positive outcome of this project is the initiation of a dairy by the women in the village. By doing this they have provided a direct market linkage to the farmers whose livelihood is directly dependent on livestock.

As part of this project, around 423 farmers benefitted through the Improved Farming Practices programme, with about 25-30% increase in their crop yield.

THROUGH OUR ENVIRONMENTAL INITIATIVES, WE FOCUS ON ENERGY, WATER, EMISSIONS, WASTE AND BIODIVERSITY AND CONTINUE TO INVEST IN NEW TECHNOLOGIES TO IMPROVE PERFORMANCE AND ENHANCE RESOURCE EFFICIENCY.

2) Improved Farming Practices

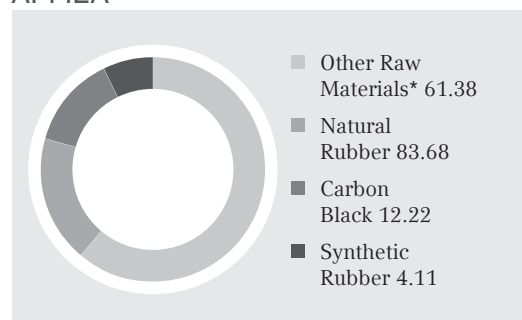
This project, operational in eight villages of Vadodara including Narmadpura, Gugaliyapura, Dolapura and Limda, supports the farmer community by training them in modern farming techniques; ways to increase agricultural productivity; and improving agricultural practices with increased crop yield. The aim of this project

Philanthropic Activities

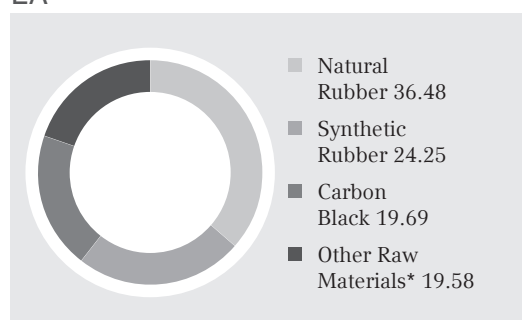
We also work for the deprived and destitute through our philanthropic initiatives in the APMEA and EA regions. These activities aim at providing support for the education of underprivileged girls and donations to hospitals for the health care needs of poor communities in the rural areas. We have also provided financial

Share of raw material consumed in APMEA and EA operations, FY16 (%)

APMEA

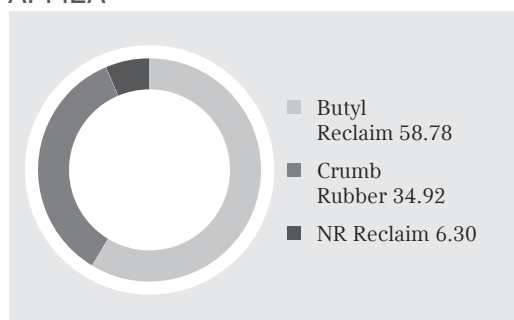


EA

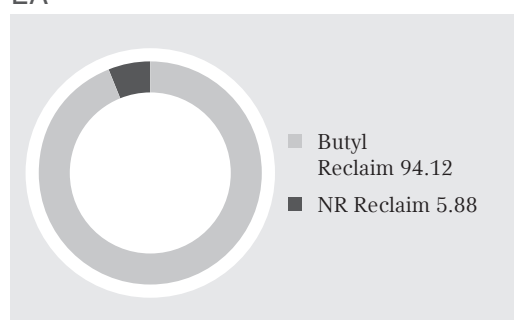


Break up of recycled raw materials (%) by type in APMEA and EA operations, FY16

APMEA



EA



support to the victims of the Nepal earthquake and the recent Chennai floods.

Initiatives taken in our EA operations included supporting a kindergarten school in the Gyöngyöshalász village of Hungary by offering each child a good quality drawing set and stationary, organised and hosted a get together for the school staff and the the funds raised would benefit children suffering from cancer and chronic illness and their families. We also made donations in England to NGOs that work in the area of education for children.

Go Green

Protecting the environment has always been at the forefront of all our operations at Apollo Tyres. Through our environmental initiatives, we focus on material aspects — energy, water, emissions, waste and biodiversity and continue to invest in new technologies to improve performance and enhance resource efficiency. We strongly believe that through our conscious efforts we can significantly mitigate environmental challenges and contribute towards the conservation and well-being of our ecosystem.

Raw Material Sourcing and Management

The three main constituents used for manufacturing tyres are natural rubber, synthetic rubber and carbon black. In the reporting period, these three comprised 41% of our total raw material consumption. The majority of rubber consumed in our APMEA operations is natural with a share of 72% of the total rubber. The share of natural rubber use in EA is 45%.

At Apollo, we constantly strive to make judicious use of resources and conserve them through reduction in the material used for production. Our Research and Development centres (R&D) in India and the Netherlands are constantly engaged in developing innovative methods for manufacturing high quality and safe tyres in an optimum way.

In both our APMEA and EA regions, natural rubber forms the largest share of the total raw materials consumed during the reporting period.

Total raw material consumed across all our operations: 8,11,324 metric tonnes

Total recycled material: 7,261 metric tonnes

In our APMEA operations, the total raw materials consumed were 7,50,051 metric tonnes and the

total recycled material was 6,411 metric tonnes.

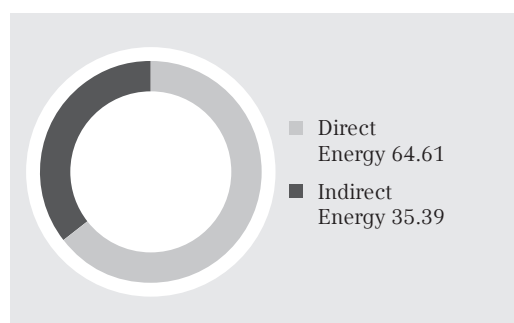
In our EA operations, the total raw materials consumed was 61,273 metric tonnes. The total recycled material was 850 metric tonnes.

Energy Sourcing and Management

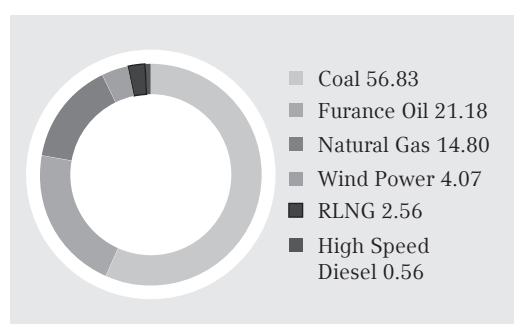
The energy profile of Apollo Tyres comprising direct and indirect energy sources is determined mainly by three factors – availability and price

CONSCIOUS EFFORTS ARE BEING MADE AT APOLLO TYRES TOWARDS INCREASING THE SHARE OF RENEWABLE SOURCES WHICH IS EVIDENT FROM THE INCREASED SHARE OVER LAST YEAR (4%)

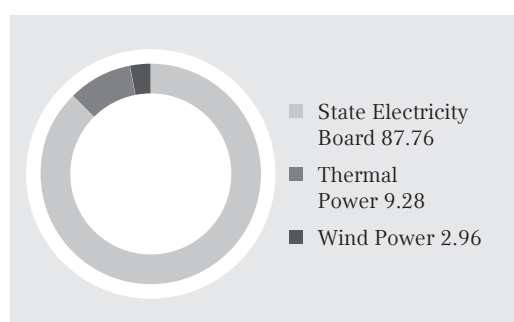
Share of Direct and Indirect Energy consumed, FY16 (%)



Break up of Direct Energy by source, FY16 (%)



Break up of Indirect Energy by source, FY16 (%)





'Go The Distance' Playground near Chennai Plant, India

of the energy source and environmental impact. indirect energy.

Component preparation and curing processes for tyre manufacturing require intense heat to stimulate chemical reactions between rubber and other raw materials.

In our India operations, the main source of direct energy used during this process is coal, followed by furnace oil. At Netherlands, direct energy is sourced from Natural gas.

Indirect energy sources are used for functioning of utilities, fixtures and other peripheral requirements, supplementing the tyre manufacturing processes. In the India operations, the source of indirect energy is electricity followed by wind energy. At Netherlands, electricity is the main source of

The total energy consumption (both direct and indirect) for the reporting period was 3,395 TJ. The share of direct energy was 64.6% (about 2,193 TJ) and that of indirect energy was 35.4% (about 1,202 TJ).

Most of the total energy consumption was from non-renewable sources (94%) such as coal, furnace oil, natural gas and high speed diesel. Wind power, a renewable source of energy constituted the remaining (6%) of the energy consumption during the reporting period, taking into consideration both direct and indirect sources. Conscious efforts are being made at Apollo Tyres towards increasing the share of renewable sources which is evident from the increased share over last year (4%).

CARBON EMISSION PROFILE AT APMEA

Emission Source Type	Emission Source	GHG Emissions (Tonne of eCO ₂)				
		Chennai	Limda	Kalamassery	Perambra	Total APMEA
Scope 1 Direct GHG Emissions	Coal	62,912	-	-	55,004	
	Furnace Oil	8,844	11,826	12,162	3,117	
	High Speed Diesel	406	258	16	229	
	Natural Gas	-	3,151	-	-	
	Total Scope 1 Emissions	72,161	15,235	12,178	58,349	58,349
Scope 2 Indirect GHG Emissions	Grid Electricity	1,00,033	57,878	17,258	53,276	
	Thermal Power*	9,793	-	-	-	
	Total Scope 2 Emissions	1,09,826	57,878	17,258	6,53,276	2,38,238

*Imported Thermal Power, treated as Grid Power for calculating CO₂ emissions [using CEA emission factor Ver. 10]



Eco Restoration of Pond near Chennai Plant, India

Our APMEA operations accounted for 84% (2,851 TJ) of the total energy consumed during the reporting period.

In our EA operations, energy consumption was 16% (544 TJ) of the total energy consumed during the reporting period. In Netherlands natural gas is the predominant direct energy source and the main indirect source of energy is electricity.

Coal is the main source of direct energy, supplying 1,246 TJ, followed by furnace oil (465

TJ) and natural gas including RLNG (381 TJ). The total direct energy consumption was 2,193 TJ.

Energy Efficiency

Combining effective strategy with practical measures is key to achieving successful energy management. At Apollo Tyres, we focus on reducing our energy consumption by being energy efficient. There are several initiatives that were undertaken during the reporting period which resulted in energy savings of 42,601 GJ.

SEVERAL INITIATIVES WERE UNDERTAKEN DURING THE REPORTING PERIOD RESULTING IN ENERGY SAVINGS OF 42,601 GJ.

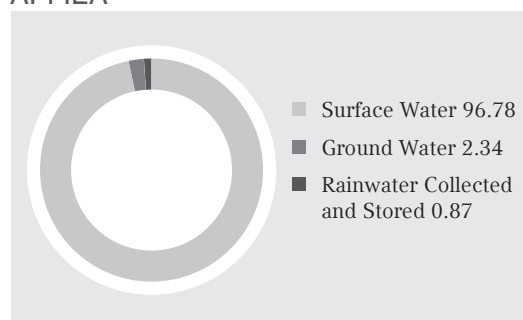
TOTAL ANNUAL WATER WITHDRAWAL, FY16

Plant	Perambra	Kalamassery	Limda	Chennai	Netherlands	Total annual water withdrawal (in m3)
Annual water withdrawal (in m3)	5,52,444	2,77,385	9,37,038	4,82,309	39,79,403	62, 28, 579

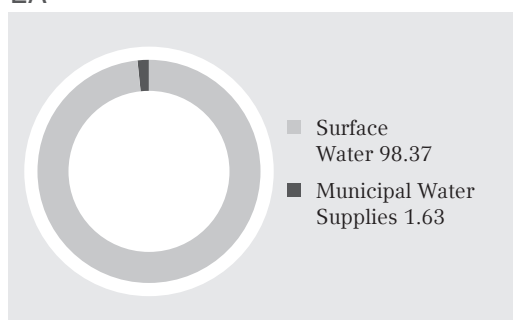
Share of Water Withdrawal by Source in APMEA and EA Operations, FY16

(%)

APMEA



EA





Sanitation Project near the Chennai Plant, India

Greenhouse Gas (GHG) Emissions

Reducing GHG emissions and mitigating the impact of climate change is a key focus area in our sustainability journey. Efforts undertaken by Apollo Tyres in line with this objective included reducing energy consumption in our manufacturing, making products with low rolling resistance and cutting down emissions in transportation and logistics.

In our EA operations, direct emissions (GHG) from the use of natural gas amounted to 16,581 metric tonnes of CO₂. Indirect emissions (GHG) from the use of electricity (Scope 2) were recorded at 40,941 metric tonnes of CO₂.

Water Sourcing and Management

The rising population, growing industrialisation and agriculture have pushed the demand for water significantly over time. Water conservation has thus become imperative. We, at Apollo Tyres have undertaken several initiatives to conserve water.

The primary source of water at our operations is surface water, which accounted for 97.8% of the total water consumption during FY16. Other sources include ground water, rainwater harvesting and municipal water.

In our APMEA operations, we have carried out several initiatives to conserve water in the reporting period.

The following initiatives were taken at our Chennai plant:

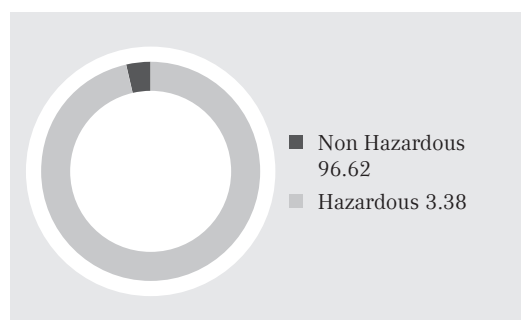
Ultrafiltration (UF) membranes were replaced to improve the UF percentage recovery

- Air Handling Unit (AHU) condensate recovery system was used to reuse the condensate water from AHUs in process
- Reverse Osmosis (RO) membranes were replaced to improve the RO recovery rate

IN EUROPE, A WASTE MANAGEMENT INITIATIVE, 'SCRAP ATTACK PROGRAMME' RESULTED IN THE REDUCTION OF 297 METRIC TONNES OF WASTE.

Break up of solid wastes by type generated in FY16

(%)





Apollo Tyres honored with Asian CSR Award 2015 (Health Enhancement Category)

The total water saved at the Chennai plant was 38,325 m³ in the reporting period.

At our Limda plant, conversion of existing RO plant for water recycling purpose was undertaken as a step towards water conservation. As a result of which soft water was restricted from entering the UF permeate tank, thus improving the overall RO plant performance.

The total water saved at the Limda plant was 32,850 m³ in the reporting period.

Total recycled or reused water: 6,00,326 m³ which was 9.64% of total annual water withdrawal. This has gone up considerably from 6.79% in FY15.

Waste Reduction and Management

Ineffective and improper disposal of waste can impact the environment in a negative manner. Efficient management of waste is a high priority at Apollo Tyres and thus we have a well-structured waste management system in place, compliant with the requirements of ISO 14000. All our recyclers are legally authorised to collect and recycle different categories of wastes.

In our APMEA operations, 262.9 metric tonnes of hazardous and 7,923.3 metric tonnes of non-hazardous solid wastes were generated. The hazardous liquid waste generated amounted to 136.58 kilolitres. In our EA operations, a total of 206 metric tonnes of hazardous and 5,463 metric tonnes of non-hazardous solid wastes were generated.

As part of the EA operations, an initiative taken towards waste management is the 'Scrap Attack Programme' which resulted in the reduction of 297 metric tonnes of waste in the reporting period.

Conservation of Biodiversity

Climate change and biodiversity are interconnected. Climate change is affecting biodiversity adversely because it is compelling it to adapt, either through a shift in habitat, changing lifecycles, or through development of new physical traits. Global warming is a major cause for loss of biodiversity.

At Apollo Tyres, protection and enhancement of biodiversity is important to us from a complete value chain perspective. As part of our

BIODIVERSITY
CONSERVATION
PROJECTS WERE
INITIATED AT OUR
PERAMBRA AND
KALAMASSERY
PLANTS.



Green cover development at Science Park Kalamassery Cochin, India

environmental programme 'HabitAt Apollo', we carried out several activities, within our plants, to enhance biodiversity. While some of these activities were directly aimed at biodiversity conservation, others had indirect benefits.

Our plants do not operate near protected areas nor do they violate any norms that impact biodiversity as per Government regulations. Also, there are no direct negative impacts of our operations on biodiversity.

Formal risk and impact assessment studies to measure impact on biodiversity in our manufacturing locations were conducted by third party agencies. As an outcome of this study, biodiversity conservation projects were initiated at our Perambra and Kalamassery plants, as showcased in the earlier section.

INNOVATION

At Apollo, the tyre manufacturing process is centred around in-depth research, design capabilities and cutting edge manufacturing processes that utilise highly advanced machinery in our state-of-the-art plants.

Technological innovation and development of modernised processes is the driving force behind our success. We continuously strive to build sustainable technologies and safe products that reduce risks and also increase value for our stakeholders across the value chain.

We continue to build and expand our Research and Development (R&D) team. Two of our existing R&D centres are working towards improvements in the Passenger Vehicle (PV) segment at Enschede in Netherlands and Commercial Vehicle (CV) segment at Chennai in India. Our third R&D office, the Advanced Engineering Center at Bangalore, India is engaged in the development of advanced solutions for all kinds of tyre performances.

Some of our achievements during the reporting period included:

1. Use of a Zero-Emission Car

For commuting between the R&D site and the plant in Enschede, we use a zero-emission car. During the reporting period, the car was driven for 3,500 km, resulting in a saving of around 460 km of CO₂ emission in theory.

2. Reduction in Rolling Resistance

Reduction in rolling resistance leads to direct reduction in fuel consumption and a higher wet grip index ensures better tyre safety on the road. We have introduced a new product-line, Ultrac Satin, which has a resin based on a wood derivative that replaces the softener which is made from crude oil. This new tyre is the best performing tyre on wet grip (showing an A-label). For rolling resistance, it scores B and C in place of the former C and E labels, which means safer and cleaner use.

3. Development of a new Low Hysteresis Compound

The new low hysteresis compounds developed as part of a technology project are currently being implemented. These have improved the energy label values of all products and upgraded them by one label.

THE NEW LOW HYSTERESIS COMPOUNDS DEVELOPED AS PART OF A TECHNOLOGY PROJECT HAVE IMPROVED THE ENERGY LABEL VALUES OF ALL PRODUCTS AND UPGRADED THEM BY ONE LABEL.

Way Forward

Sustainability and business go hand in hand at Apollo Tyres. Looking ahead, we have a unique opportunity to grow and lead our industry to greater heights with a strong focus on all our stakeholders. With a culture of innovation and collaboration, we continue to provide a platform for our customers and employees to realise their potential and make a strong impact on society.





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Board's 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, 2016.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2016 is summarised below:

Particulars	(₹ Million)			
	Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Standalone		Consolidated	
Net Sales	86,164	88,783	117,078	127,257
Other Income	1,388	1,266	1,553	1,435
Operating Profit (EBIDTA)	16,144	13,531	20,383	19,844
Less: Depreciation/Amortisation Exp.	2,686	2,468	4,239	3,883
Finance Cost	883	1,721	916	1,828
Provision for Tax	4,050	2,891	4,776	3,532
Net Profit before Exceptional Items	8,525	6,451	10,452	10,601
Add: Exceptional Items	-	-	478	(825)
Less: Share of loss of associates / minority interest	-	-	-	-
Net Profit	8,525	6,451	10,930	9,776

OPERATIONS

The tyre industry continues to face challenging conditions on topline growth in recent times and this is reflected in sales revenue growth numbers at Apollo Tyres Ltd. The growth in volumes has been negated by sales price reductions in multiple geographies and the overall sales revenue has also been impacted by adverse currency movements.

On a standalone basis, your Company achieved a net turnover of ₹ 86,164 million as against ₹ 88,783 million during the previous financial year. EBIDTA was at ₹ 16,144 million as compared to ₹ 13,531 million during the previous financial year. The net profit for the year under review was ₹ 8,525 million, as against ₹ 6,451 million in the previous fiscal, a growth of 32.15%.

The consolidated net turnover of your Company was ₹ 117,078 million during FY16, as compared to ₹ 127,257 million in FY15. The consolidated EBIDTA was ₹ 20,383 million for FY16 as compared to ₹ 19,844 million for the previous financial year. On consolidated basis, Apollo Tyres earned a net profit of ₹ 10,930 million for FY16 as against ₹ 9,776 million for the previous financial year.

RAW MATERIALS

During the year under review, the raw material basket cost declined by approx. 15% over the last year.

Natural Rubber prices in the international market remained soft during the year due to weak global demand. During FY16 in India, there is a demand supply gap of around 400,000 MT which represents ~ 40% of Consumption of Natural Rubber. This shortage had to be met through imports from ASEAN region to ensure continuity of production at our tyre plants.

Crude Oil prices remained volatile during the year. From a level of USD 60/bbl during the early part of the fiscal, Brent Crude oil prices touched came down to USD 28/bbl before recovering to USD 40/bbl by the year end. Weak global demand and the decision of OPEC members to maintain their production levels despite steady rise in production from Non OPEC producers and geo-political factors were responsible for the volatility in the Oil market.

Synthetic Rubber and Carbon Black prices moved during the year in line with their monomer prices and the demand-supply position. The Crude

THE
CONSOLIDATED
EBIDTA WAS

₹20,383
MILLION
FOR FY16

based raw materials were lower on a year-on-year basis in the current financial year. Limited availability and pollution related issues in China are characterising the Rubber Chemicals industry.

The anti-dumping duty continues on imports of Nylon Tyre Cord Fabric from China, Carbon Black imports from China and Russia, and import of Rubber Chemicals from China, EU and Korea. In addition anti-dumping duty petition has been initiated on imports of Synthetic Rubber from Korea, EU and Thailand by the domestic industry.

The rupee depreciated by 7% against the US Dollar in FY16.

The Company's focus on inventory management and risk mitigation through multiple sourcing continued during the year.

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 FY16 for your approval. There will be no tax deduction at source on dividend payments, but those shareholders receiving a dividend income exceeding ₹ 10 lakh, would become liable to pay additional tax @ 10%. Your Company would continue to bear tax on dividend @ 20.36%, inclusive of surcharge.

The dividend, if approved, shall be payable to the members holding shares as on record date, i.e., August 2, 2016.

RESERVES

The amount available for appropriations, including surplus from previous year amounted to ₹ 24,237 million. Surplus of ₹ 21,887 million has been carried forward to the balance sheet after providing for dividend of ₹ 1,018 million, dividend tax of ₹ 207 million, debenture redemption reserve of ₹ 125 million and general reserve of ₹ 1,000 million.

ACQUISITIONS/RESTRUCTURING

The Company acquired the Germany based Reifencor GmbH along with its Subsidiaries.

This is in line with the strategy to build a strong retail network in Europe. Reifencor GmbH operates the online portal reifen.com and has 37 stores nationwide. It is one of the leading tyre retail organisations in Germany with over 2,500 assembly partners. It also has online activities in other countries like Austria, Switzerland, France, Italy and Denmark. This transaction will allow Apollo Tyres to expand its retail and online presence in many European countries.

BOARD OF DIRECTORS

A) Appointment/Re-appointment of Directors

Pursuant to Section 161 of the Companies Act, 2013, General Bikram Singh (Retd.) (DIN: 07259060) was appointed as Additional Director w.e.f. August 11, 2015 and Mr Vinod Rai (DIN: 01119922) and Mr Francesco Gori (DIN: 07413105) were appointed as Additional Directors of the Company w.e.f. February 9, 2016 to hold office till the date of the ensuing Annual General Meeting. The Company has received requisite notice together with deposit of ₹ One Lakh each, as provided under Section 160 of the Companies Act, 2013, from the members, proposing the appointment of General Bikram Singh (Retd.) and Mr Vinod Rai as Independent Directors not liable to retire by rotation and Mr Francesco Gori as Non-Independent Director liable to retire by rotation.

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013, Mr Robert Steinmetz (DIN: 0178792), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr Robert Steinmetz 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, Mrs Seema Thapar had been appointed as Company Secretary w.e.f. April 1, 2015 and Mr Gaurav Kumar had been appointed as Chief Financial Officer w.e.f. May 12, 2015. Mr Sunam Sarkar (DIN: 00058859) resigned as Whole-Time Director effective

IN INDIA, THE COMPANY RATIONALISED ITS PORTFOLIO AND AT THE SAME TIME INTRODUCED NEW WINNING PRODUCTS LIKE – AMAZER 4 LIFE CAR TYRES AND XT-7 GOLD HD TRUCK TYRES.

from August 11, 2015 and continues to be a Non-Executive, Non-Independent Director of the Company thereafter.

Further, keeping in view the increased involvement of Mr Robert Steinmetz (DIN: 0078792) in the affairs of the Company, his status was changed from Independent Director to Non-Executive, Non-Independent Director w.e.f. February 9, 2016.

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 during the year under review.

For annual performance evaluation of the Board as a whole, it's Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. 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 matrix reflecting the ratings was formulated and placed before the Board for formal annual evaluation by the Board of its own performance and that of its Committees and Individual Directors. The Board was satisfied of the evaluation results.

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 November 19, 2015.

The Independent Directors at the meeting, *inter alia*, 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.
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, laid down a Nomination & Remuneration policy for selection and appointment of the Directors, Key Managerial Personnel and Senior Management and their remuneration. The Company's policy on Directors' appointment & remuneration is stated in the Corporate Governance Report.

PRODUCT & MARKETING

The Company continued its journey of consolidating its leadership position in its established markets, expanding market share in new geographies and product categories and becoming a full range player in India.

In India, the Company rationalised its portfolio and at the same time introduced new winning products like – Amazer 4 Life car tyres and XT-7 Gold HD truck tyres.

Multiple consumer engagement programs were initiated across segments, supported by regional multimedia in localized languages reaching out to consumers at the grassroot level. Apollo also expanded its branded retail footprint to build its network across India.

Apart from the category led initiatives there were some Brand specific promotional campaigns

that were carried out in conjunction with Manchester United reinforcing our commitment to football in India. The Manchester United Soccer School was a program which gave kids across the country the chance to train under the supervision of the Manchester United Coaches.

For the Indian market, the year ended with Apollo's grand launch of the Apollo Acti series bike tyres for the two wheelers segment. Designed and developed at the Company's Global R&D Centre in Chennai, Apollo Acti series for bikes and scooters mark a milestone for Apollo Tyres as the entry into this segment makes the Company a full-range player and will support the Company to cement its leadership position in India.

A similar strategy was adopted by the EA operations. The operations launched its biggest online campaign, #ROCKTHEROAD, aimed at increasing Vredestein's visibility in the 25 to 45 years age group by highlighting Vredestein's premium offerings. During the year, the operations launched its Dealer Partnership program in Europe and four new outlets were opened simultaneously in Belgium, Hungary, Italy and the Netherlands. More such stores are planned for Austria, Germany, Spain and Switzerland in the coming months. The eventual goal is to have 800 program partners by 2020 throughout Europe.

Most of the products by the operations saw top ratings across segment – Summer, Winter, All Seasons and Agriculture.

EXPANSION PROGRAMME AND FUTURE OUTLOOK

The Company will continue its three-pronged strategy of looking at consolidating market position in existing markets and seeking new markets/new segments, continue investment in both the brands – Apollo and Vredestein and capacity expansion via Greenfield facilities, plant expansions/ upgradation and looking for other growth opportunities.

For the EA operations, the Company will have production from the Hungary plant in the first quarter of 2017. With two plants offering product optimization opportunities and a cost competitive plant in Hungary, the Company can now take on the global giants on their own turf in Europe. The Company is actively engaging with the leading OEMs in Europe and will leverage its OEM

associations in India. Further to Reifencor GmbH acquisition, integration plans are on and this will boost our dealer network program and provide entry into various other European markets. For the APMEA operations, the Chennai plant will provide additional capacities in the fast growing TBR segment. The operation is continuing to explore avenues for the declining TBB products within India and outside of the country. The Company remains bullish on its outreach in other markets in APMEA and expected double-digit growth from these markets.

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 as part of 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. In addition, the Company has a well defined Financial Delegation of Authority (FDOA), which ensures approval of financial transaction by appropriate personnel. The Company uses SAP-ERP to process financial transactions and maintain its books of accounts. The SAP has been setup to ensure adequacy of financial transactions and integrity & reliability of financial reporting.

The financial controls are tested for operating effectiveness through management ongoing monitoring and review process, and independently by Internal Audit. The testing

FOR THE INDIAN MARKET, THE YEAR ENDED WITH APOLLO'S GRAND LAUNCH OF THE APOLLO ACTI SERIES BIKE TYRES FOR THE TWO WHEELERS SEGMENT.

AS ON MARCH 31, 2016 YOUR COMPANY HAD 41 SUBSIDIARIES INCLUDING STEP SUBSIDIARIES, 1 ASSOCIATE AND 1 JOINT VENTURE.

of controls by Internal Audit are divided into three separate categories; a) automated controls within SAP, b) segregation of duties within SAP and restricted access to key transactions, c) manual process controls. In our view the Internal Financial Controls with reference to financial statement are adequate and are operating effectively.

SHIFTING OF REGISTERED OFFICE

The Registered Office of your Company has been changed to 3rd Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi – 682036 w.e.f. May 1, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the annual report.

SUBSIDIARY/ASSOCIATE & 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, 2016 your Company had 41 subsidiaries including step subsidiaries, 1 associate and 1 joint venture.

During the year under review, the Company had acquired Reifencom GmbH through its step subsidiary, Apollo Tyres Cooperatief U.A. Reifencom GmbH and its subsidiaries have become a part of the Company's group on January 1, 2016.

Apollo Tyres Cooperatief U.A. had incorporated Apollo Tyres (Germany) GmbH as its wholly owned subsidiary on November 11, 2015 in Germany.

Apollo Tyres Holdings (Singapore) Pte Ltd acquired shares of Apollo Tyres (Malaysia) Sdn.

Bhd on March 15, 2016 thus making Apollo Tyres (Malaysia) Sdn. Bhd a wholly owned subsidiary of Apollo Tyres Holdings (Singapore) Pte Ltd

The name of wholly owned subsidiary of Apollo Tyres (UK) Pvt Ltd has been changed to Apollo Tyres (London) Pvt Ltd on March 29, 2016.

Apollo Tyres (Greenfield) Cooperatief U.A. was converted from a "Cooperative" to "Private Company with Limited Liability" on March 30, 2016. Upon conversion the new name of Apollo Tyres (Greenfield) Cooperatief U.A. is Apollo Tyres (Greenfield) B.V.

The Company purchased 1 (one) share of Apollo Tyres (Greenfield) B.V. from Apollo Tyres (Cyprus) Pvt Ltd on March 30, 2016 thus making Apollo Tyres (Greenfield) B.V. a wholly owned subsidiary of the Company.

Apollo (Mauritius) Holdings Pvt Ltd, wholly owned subsidiary of the Company is under process of being amalgamated with the Company. The Company has received "No Objection Letters" from the Stock Exchanges, BSE Ltd. and National Stock Exchange of India Ltd. The first motion for the approval of Scheme of Amalgamation has been filed with the Hon'ble High Court of Kerala on April 8, 2016.

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, 2016 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 features 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 (₹ Millions)
April 16, 2015	10.15% 1,000 Non Convertible Debentures – Secured	1,000
February 02, 2016	11.50% 1,000 Non Convertible Debentures – Secured	417

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 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 of M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants, as the Statutory Auditors of the Company for FY17.

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 FY16.

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 FY17

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 seven board meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of all Board/Committee meetings held are given in the Corporate Governance Report.

AUDIT COMMITTEE

The details of the Audit Committee including its composition and terms of reference mentioned in the Corporate Governance Report forms part of Board's 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 behavior, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee 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 was 50,90,24,770 shares of ₹ 1/- each. There was no change in the capital structure of the Company.

- a) **Issue of equity shares with differential rights**
Your Company has not issued any Equity Shares with differential rights during the year under review.
- b) **Issue of sweat equity shares**
Your Company has not issued any Sweat Equity Shares during the year under review.
- c) **Issue of employee stock options**
Your Company has not issued any employee stock options during the year under review.
- d) **Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees**
Your Company has not made any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employees during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013. However, details of investment made during the year, are given under notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Suitable 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 (U.K.) Pvt Ltd, wholly owned subsidiary of the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees as required in terms of the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Annexure A to the Board's Report.

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 the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has re-appointed M/s. PI & Associates, Company Secretaries as Secretarial Auditor of the Company for FY16 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 honored and recognised at various forums. The prominent Awards are listed below for your reference.

Name of the Award	Category	Awarded By
Asian CSR Award 2015	Health Enhancement	Asian Forum on Corporate Social Responsibility
15 th ICSI National Awards for Excellence in Corporate Governance	Corporate Governance	The Institute of Company Secretaries of India (ICSI)
Auto Vision Award ICQCC 2015	Quality	Korean Standards Association (KSA)
National Productivity Competition 2015	-	Indian Institute of Industrial Engineering (IIIE)
Indian Green Building Congress Awards 2015	Leadership in Energy and Environmental Design (LEED) India New Construction (NC)	Green Building Congress 2015
Global Green Future Leadership Awards 2016	Best Waste Management	World CSR Congress

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 Committee 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 evaluates its impact and plans its mitigation. The risks are documented in form of risk registers, which are 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 trusts 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 healthcare, ensuring environmental sustainability, livelihood enhancement projects, rural development projects, promoting education and eradication 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.

BUSINESS RESPONSIBILITY REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the top 500 listed companies by market capitalisation to give Business Responsibility Report ("BR Report") in their Annual Report effective from April 1, 2016.

Your Company falls under the top 500 listed companies by market capitalisation. Accordingly, your Company will annex a BR Report with its Annual Report for FY17.

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.

YOUR COMPANY HAS BEEN TAKING INITIATIVES UNDER CORPORATE SOCIAL RESPONSIBILITY FOR THE SOCIETY AT LARGE.

THE
COMPANY IS
COMMITTED
TO ADOPTING
AND
ADHERING TO
ESTABLISHED
WORLD-CLASS
CORPORATE
GOVERNANCE
PRACTICES.

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 Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure V to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2016, 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, Netherlands and Hungary. We also thank our customers, business partners, members, bankers and other stakeholders for their continued support during the year. We place on record our appreciation for the contribution made by all employees towards the growth of your Company.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 11, 2016

(NEERAJ KANWAR) (SUNAM SARKAR)
Vice-Chairman & Managing Director Director

Annexure I

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[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 March 31, 2016

To,
The Members,
Apollo Tyres Ltd
(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 referred to as “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 March 31, 2016, 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 March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable during the period of audit)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(not applicable during the period of audit)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable during the period of audit)**;
 - (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 during the period of audit)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable during the period of audit)**;
- (vi) I further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:

(a) Applicable Labour Laws	(u) Punjab Shops and Commercial Establishment Act, 1958 and rules made thereunder
(b) Applicable Environment Laws	
(c) Applicable Direct and Indirect Tax laws	(v) Shipping Bill and Bill of Export (Form) Regulations, 1991
(d) Arms Act, 1959	We have also examined compliance with the applicable clauses of the following:
(e) Chennai City Municipal Corporation Act, 1919 and rules made thereunder	(i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective July 1, 2015
(f) Cigarettes & Other Tobacco Products Act, 2003 & Prohibition of Smoking in Public Places Rules, 2008	(ii) The erstwhile Listing Agreements entered into by the Company with the Stock Exchange(s) and Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (effective December 1, 2015).
(g) Electricity Act, 2003, and Indian Electricity Rules, 1956/2005	
(h) Explosives Act, 1884 and rules made thereunder	
(i) Food Safety and Standards Act, 2006 and rules made thereunder	During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.
(j) Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rules, 1993	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.
(k) Foreign Trade Policy	
(l) Gujarat Panchayats, Municipalities, Municipal Corporations Act, 1976 and rules made thereunder	
(m) Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Act, 1976 and rules made thereunder	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.
(n) Haryana Lifts and Escalators Act, 2008 and rules made thereunder	
(o) Information Technology Act, 2000 and rules made thereunder	Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
(p) Kerala Municipality Act, 1994 and rules made thereunder	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.
(q) Legal Metrology Act, 2009 and rules made thereunder	
(r) Motor Vehicles Act, 1988 and rules made thereunder	We further report that during the audit period, the following events took place in the Company and details of which are as follows:
(s) Petroleum Act, 1934 and rules made thereunder	
(t) Public Liability Insurance Act, 1991 and rules made thereunder	

- i. The Company has passed the resolutions by way of postal ballot to raise fund of ₹ 10,000 million through Private Placement of Unsecured/Secured Non-Convertible Debentures.
- ii. The Board of Directors of the Company in its Meeting held on October 30, 2015 have approved the Amalgamation/Merger of Apollo (Mauritius) Holdings Private Ltd, wholly owned subsidiary, with the Company, subject to necessary approvals.
- iii. The Company has acquired 100% of Reifencom GmbH, a German Tyre Retail and Distribution Company, through a wholly owned subsidiary Viz.
- Apollo Tyres Cooperatief U.A. for a Consideration of Euro 45.60 Million.
- For PI and Associates,
Company Secretaries
- ANKIT SINGHI
Partner
ACS No.: A20642
C P No.: 16274
- Place: New Delhi
Date: May 10, 2016
- This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure A

To,
The Members,
Apollo Tyres Ltd

Our Secretarial Audit Report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI and Associates,
Company Secretaries

ANKIT SINGHI
Partner
ACS No.: A20642
C P No.: 16274

Place: New Delhi
Date: May 10, 2016

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY16

1. Outline of Company's CSR Policy

The clear objective of all CSR activities is to have a positive impact on everyday lives of our key stakeholders and on business. The CSR programs and activities are aligned to national and international development goals, in particular related to Health & Environment. CSR activities in India are routed through the Apollo Tyres Foundation (registered in 2008).

CSR policy of Apollo covered 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.

The programs are categorised into two verticals: Environment and Social.

Environment - Apollo Tyres is committed towards ensuring overall environmental sustainability. Its aim is to make eco-friendly behavior, green thinking and resource conservation a matter of habit across its key stakeholders. The umbrella environment initiative is called HabitAt Apollo, wherein focused efforts are made to reduce waste, conserve energy, enhance biodiversity and save water. Clean my transport nagar, Afforestation, Purified drinking water project, Pond revival and Biodiversity parks are the few projects initiated for ensuring environmental sustainability.

Social - The organisation recognises the importance of its stakeholders and the society it operates in. It undertakes initiatives focused on sustainable development. Within this, there are two areas: Health and Community Development.

The health program focuses on preventive health issues such as HIV-AIDS awareness, Vision care projects for customers and hygiene and sanitation projects for the communities.

The community development initiatives range from imparting skills to women and to farmers on techniques for improving agriculture with the aim of livelihood generation.

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 (program already initiated).
- Pond Management projects around all the manufacturing locations in India (already initiated).
- Waste Management projects in different transport Nagars (already initiated).
- Water Project around community in Chennai (already initiated).
- Conservation and maintenance of biodiversity parks in Kochi.

b) Social Initiatives

- 2 New Clinics.
- Integration of Vision Care Project in 6 clinics (already started in Delhi).
- 8 additional villages around Limda plant.
- Preventive health and livelihood projects with Tapper's family.

- Personal Hygiene and sanitation projects in the villages around Chennai plant.

- Extension of anemia and nutrition support project with women in Perambra & Limda.

c) **Philanthropic Initiatives**

- Support to Kabliji Hospital for underprivileged.

- Sponsorship of education of underprivileged girls in Uttarakhand (Him Jyoti School).

- Monthly ration support to the underprivileged people (The Earth Savors Foundation).

- Support to the education of disabled children (Tamanna NGO).

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 comprising 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.
- (d) General Bikram Singh (Retd.), 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 ₹ 6465.87 Million.**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹ 129.32 Million.**

5. **Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year is **₹ 129.57 Million.**
- (b) Amount unspent is **NIL.**

(c) Manner in which the amount spent during the financial year is detailed below:

(All figures in ₹ Million)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. 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 program 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	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Delhi	2.51	2.89	2.89	Self Implementation
2	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Agra, Uttar Pradesh	2.93	2.01	2.01	Centre for Urban & Regional Excellence
3	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Jaipur, Rajasthan	1.76	1.39	1.39	Practical Action Foundation
4	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Jodhpur, Rajasthan	1.75	1.74	1.74	Practical Action Foundation
5	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Kanpur, Uttar Pradesh	1.26	1.48	1.48	Muskan Jyoti Samiti
6	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Mumbai, Maharashtra	1.15	1.01	1.01	Sampurn (E) arth Environment Solutions Pvt Ltd
7	Community solid waste management project; Clean My Transport Nagar	Ensuring environmental sustainability	Clean My Transport Nagar, Chennai, Tamil Nadu	0.84	0.94	0.94	Citizen consumer and civic Action Group
8	MCD park greening project	Ensuring environmental sustainability	Sanjay Gandhi Transport Nagar, Delhi	0.50	0.25	0.25	Upavan (Ritu Mathur)
9	Baseline study for solid waste management project at Transport Nagar	Ensuring environmental sustainability	Rajasthan, Maharashtra, Tamil Nadu, Telangana & West Bengal	2.22	1.92	1.92	Practical Action Consulting (India) Pvt Ltd, Sampurn (E)arth Environment Solutions Pvt Ltd, Centre for Urban and Regional Excellence & Mott MacDonald Pvt Ltd
10	Quality assurance survey for solid waste management	Ensuring environmental sustainability	Delhi	0.23	0.21	0.21	TUV India Pvt Ltd
11	Community solid waste management project	Ensuring environmental sustainability	Clean My Village, Kodakara Panchayat, Kerala	1.46	1.57	1.57	Plan@Earth
12	Peringunkulam Pond cleaning project	Ensuring environmental sustainability	Pond management project, Kodakara, Kerala	2.05	1.98	1.98	Tropical Institute of Ecological Science & E.R.Saleesh

13	Chalakudy park beautification and maintenance	Ensuring environmental sustainability	Chalakudy, Kerala	0.84	0.92	0.92	Tropical Institute of Ecological Science
14	Baseline on water conservation of Chalakudy river	Ensuring environmental sustainability	Chalakudy, Kerala	0.30	0.38	0.38	Tropical Institute of Ecological Science
15	Pond management baseline study	Ensuring environmental sustainability	Perambra Distt. Trissur, Kerala	0.41	0.48	0.48	Tropical Institute of Ecological Science
16	Community solid waste management project; Clean My Village	Ensuring environmental sustainability	Gujarat	1.50	1.41	1.41	Harsidhdhi Corporation Pvt Ltd
17	Alwa & Limda Pond cleaning project	Ensuring environmental sustainability	Alwa & Limda, Baroda, Gujarat	2.57	2.72	2.72	Harsidhdhi Corporation Pvt Ltd
18	Pond management baseline study	Ensuring environmental sustainability	Alwa & Limda, Baroda, Gujarat	0.27	0.47	0.47	Gujarat Ecology Society
19	Biodiversity impact assessment study	Ensuring environmental sustainability	Baroda, Gujarat	0.61	0.77	0.77	Kadam Environmental Consultants
20	Biodiversity impact assessment study	Ensuring environmental sustainability	Sennakuppam panchayat, Chennai, Tamil Nadu	0.27	0.35	0.35	Keystone Foundation
21	Mid-line assessment of afforestation project	Ensuring environmental sustainability	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	0.50	0.58	0.58	Keystone Foundation
22	Community solid waste management project	Ensuring environmental sustainability	Clean My Village, Chennai, Tamil Nadu	2.16	2.32	2.32	Help Foundation
23	Tree plantation & Livelihood project	Ensuring environmental sustainability	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	1.70	1.74	1.74	TIST Tree Planting India Pvt Ltd
24	Clean drinking water project	Ensuring environmental sustainability	Mathur & Sennakuppam panchyats, Sri Perumbudur Taluka, Chennai, Tamil Nadu	2.80	3.29	3.29	Waterlife India Pvt Ltd, Frames Creation, Sri Sun Flower, Spize, Sodexo Food Solutions India Pvt Ltd
25	Pond management baseline study	Ensuring environmental sustainability	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	0.36	0.42	0.42	Thrust Geo Consultants Pvt Ltd
26	Pond management project	Ensuring environmental sustainability	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	4.74	6.12	6.12	Thrust Geo Consultants Pvt Ltd
27	Biodiversity-Greening work near pond and water plant area	Ensuring environmental sustainability	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	1.20	1.39	1.39	B.S. Enterprise, Daatson Builders, R. K. Management Services & Sri Sun Flower
28	Clean drinking water project	Ensuring environmental sustainability	Gunat village, Shirur block, Pune, Maharashtra	1.60	1.63	1.63	Piramal Water Pvt Ltd

29	Impact Assessment of Brand equity	Ensuring environmental sustainability	Baroda, Gujarat	0.63	0.44	0.44	Knight Frank India Pvt Ltd
30	Community solid waste management project;	Ensuring environmental sustainability	Clean My Village, Kalamassery Ward, Kerala	0.70	0.65	0.65	Plan@Earth
31	Science park beautification and maintenance	Ensuring environmental sustainability	Science Park, Kalamassery	1.97	2.08	2.08	Tropical Institute of Ecological Science
32	Flood relief	Eradicating Hunger	Chennai, Tamil Nadu	0.75	0.75	0.75	Surendaran Sekaran
33	Monthly Ration support for the under privileged people	Eradication hunger, poverty & malnutrition	Mahipalpur, New Delhi	1.42	1.42	1.42	The Earth Saviours
34	Skill building & income generation projects for the community	Livelihood Enhancement Projects	Kodakara Panchayat, Perambra, Kerala	1.15	1.23	1.23	Rajagiri Outreach
35	Baseline study on Terrace farming in Kodakara panchayat	Livelihood Enhancement Projects	Promotion of terrace farming at Kodakara Panchayat, Kerala	0.10	0.18	0.18	Tropical Institute of Ecological Science
36	Terrace farming project in Kodakara panchayat	Livelihood Enhancement Projects	Promotion of terrace farming at Kodakara Panchayat, Kerala	0.30	0.33	0.33	Tropical Institute of Ecological Science
37	Skill generation in various trades for women	Livelihood Enhancement Projects	Kottayam, Kerala	0.33	0.44	0.44	Jawaharlal Memorial Social Welfare and Public Co-Operation Centre
38	Skill building & income generation projects for the community	Livelihood Enhancement Projects	Waghodiya Taluka, Baroda, Gujarat	0.96	1.73	1.73	Self Implementation
39	Skill building & income generation projects for the community	Livelihood Enhancement Projects	Waghodiya Taluka, Baroda, Gujarat	1.12	0.86	0.86	Yuvraj Construction
40	Skill building & income generation projects for the community	Livelihood Enhancement Projects	Delhi	1.18	0.16	0.16	I Care Learning Pvt Ltd
41	Baseline study on terrace farming in Kalamassery Ward	Livelihood Enhancement Projects	Promotion of terrace farming at Kodakara Ward, Kerala	0.10	0.10	0.10	Tropical Institute of Ecological Science
42	Terrace farming project in Kalamassery Ward VII	Livelihood Enhancement Projects	Promotion of terrace farming at Kodakara Ward, Kerala	0.32	0.29	0.29	Tropical Institute of Ecological Science
43	Capacity Building of Staffs & Volunteers	Promoting Education	Delhi	0.68	0.75	0.75	Self Implementation
44	Employment Enhancing Vocation Skill	Promoting Education	Vallam panchayat, Chennai, Tamil Nadu	1.90	1.57	1.57	Queentia Skills & Allied Services Pvt Ltd
45	Computer literacy to Govt. School children	Promoting Education	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	0.47	0.55	0.55	Bhumi

46	Play structure in Govt. schools	Promoting Education	Oragadam, Sennakuppam & Mathur Village, Kancheepuram District, Chennai, Tamil Nadu	2.02	2.41	2.41	Shilpa Mohan Joglekar, Frames Creations, B.S. Enterprise, T. Vilvanathan, Sri Sun Flower, J.S.Engineering & Contractors & ISS SDB Security Services Pvt Ltd
47	Education support to 50 under-privileged girls	Promoting Education	Dehradun, Uttarakhand	3.00	3.00	3.00	Himalayan School Society
48	Education support to underprivileged girl	Promoting Education	Mumbai, Maharashtra	0.20	0.19	0.19	Masoom
49	Education support to underprivileged children	Promoting Education	Delhi, Delhi	0.20	0.21	0.21	Christel House India
50	Education support to underprivileged children	Promoting Education	Delhi, Delhi	0.13	0.13	0.13	Concern India Foundation
51	Education support to underprivileged children	Promoting Education	Kalamassery, Kerala	0.30	0.30	0.30	LBS Centre for Science and Technology
52	Education support to underprivileged children	Promoting Education	Delhi, Delhi	1.00	1.00	1.00	Tamana
53	Education support to under privileged children	Promoting Education	Delhi, Delhi	0.10	0.10	0.10	IMDAAD
54	Education support to underprivileged children	Promoting Education	Delhi, Delhi	0.40	0.40	0.40	Madhavrao Scindia Foundation
55	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Agra, Uttar Pradesh	1.67	2.00	2.00	Jan Chetna Sewa Samiti
56	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Ankleshwar, Gujarat	1.28	1.67	1.67	Lok Vikas Sanstha
57	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Bangalore, Karnataka	0.99	1.40	1.40	Hindustan Latex Family Planning Promotion Trust
58	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Barmana, Himachal Pradesh	0.81	0.99	0.99	Himachal Pradesh Voluntary Health Association
59	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Delhi, Delhi	3.34	4.90	4.90	Apollo Tyres Foundation

60	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Farakka, West Bengal	0.93	1.09	1.09	Ambuja Cement Foundation
61	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Guwahati, Assam	1.72	2.08	2.08	Global Organisation for Life Development
62	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Gwalior, Madhya Pradesh	1.34	1.67	1.67	Sambhav Social Service Organization
63	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Hyderabad, Telangana	1.34	1.91	1.91	Telugu Network of People Living With HIV/AIDS
64	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Indore, Madhya Pradesh	1.66	2.03	2.03	Adarsh Jan Seva Sansthan
65	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jaipur, Rajasthan	1.55	1.62	1.62	Institute for Global Development
66	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jalandhar, Punjab	0.87	1.29	1.29	Pahal
67	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Jodhpur, Rajasthan	1.44	1.67	1.67	Meera Sansthan
68	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Kanpur, Uttar Pradesh	1.72	2.05	2.05	Jan Kalyan Maha Samiti
69	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Kochi, Kerala	1.69	1.88	1.88	Rajiv Youth Foundation
70	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Kolkata, West Bengal	1.02	1.26	1.26	Ambuja Cement Foundation
71	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Chennai, Tamil Nadu	1.35	1.80	1.80	Confederation of Surface Transport Tamil Nadu
72	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Mumbai, Maharashtra	1.43	1.74	1.74	Alert India

73	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Nagpur, Maharashtra	1.50	1.92	1.92	Young Men's Christian Association
74	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Nalagarh, Himachal Pradesh	1.00	1.20	1.20	Ambuja Cement Foundation
75	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Patna, Bihar	1.46	1.76	1.76	Step Foundation
76	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Pune, Maharashtra	1.59	1.94	1.94	Magmo Welfare Sanstha
77	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Health Care Centre, Surat, Gujarat	0.79	0.98	0.98	Ambuja Cement Foundation
78	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Varanasi, Uttar Pradesh	1.47	1.83	1.83	Jan Kalyan Maha Samiti
79	HIV-AIDS awareness & prevention program (Targeted Intervention)	Promoting Preventive Health	Apollo Tyres Health Care Centre, Vijayawada, Andhra Pradesh	1.66	2.15	2.15	Vasavya Mahila Mandali
80	Project on substance abuse for truckers and allied population	Promoting Preventive Health	Substance abuse project, Delhi, Delhi	0.62	0.68	0.68	Unique Psychological Services Pvt Ltd
81	Project on eye check up camps organised for truckers and allied population	Promoting Preventive Health	Vision care project, Delhi/NCR, Delhi	1.26	1.57	1.57	Vision Spring
82	Impact Assessment of Targeted Intervention projects at 13 clinics in India	Promoting Preventive Health	Vijayawada (Andhra Pradesh), Delhi (Delhi), Surat (Gujarat), Barmana (Himachal Pradesh), Nalagarh (Himachal Pradesh), Indore (Madhya Pradesh), Mumbai (Maharashtra), Pune (Maharashtra), Jaipur (Rajasthan), Jodhpur (Rajasthan), Agra (Uttar Pradesh), Kanpur (Uttar Pradesh) & Kolkata (West Bengal)	0.35	0.35	0.35	Jojomon Thomas
83	Baseline of Targeted Intervention projects at 6 clinics in India	Promoting Preventive Health	Ankleshwar (Gujarat), Bangalore (Karnataka), Gwalior (Madhya Pradesh), Jalandhar (Punjab), Chennai (Tamil Nadu), Hyderabad (Telangana)	1.45	1.16	1.16	Mott MacDonald Pvt Ltd

84	Anemia control project among women & adolescent girls in Perambra	Promoting Preventive Health	Anemia Control Project, Perambra, Kerala	0.13	0.25	0.25	Hindustan Latex Family Planning Trust
85	Baseline study on substance abuse in Kodakara panchayat	Promoting Preventive Health	Substance abuse project, Kodakara Panchayat, Kerala	0.17	0.25	0.25	Kerala Voluntary Health Services
86	Substance abuse project in Kodakara panchayat	Promoting Preventive Health	Substance abuse project, Kodakara Panchayat, Kerala	0.20	0.30	0.30	Kerala Voluntary Health Services
87	General health awareness & treatment project with Tappers family	Promoting Preventive Health	Vazhoor gram panchayat, Kerala	0.44	0.52	0.52	Kerala Voluntary Health Services
88	Health & Hygiene project for community	Promoting Preventive Health	Kancheepuram district, Chennai Tamil Nadu	2.05	2.12	2.12	FSL INDIA
89	Baseline study on sanitation	Promoting Preventive Health	Vallakottai Panchayat, Chennai, Tamil Nadu	0.05	0.11	0.11	Help Foundation
90	Sanitation project-Toilet construction	Promoting Preventive Health	Vallakottai Panchayat, Chennai, Tamil Nadu	2.07	1.95	1.95	Help Foundation
91	Baseline study on sanitation	Promoting Preventive Health	Mathur village, Chennai, Tamil Nadu	0.06	0.15	0.15	Help Foundation
92	Sanitation project-Toilet construction	Promoting Preventive Health	Mathur village, Chennai, Tamil Nadu	1.52	0.81	0.81	Help Foundation
93	General health awareness program	Promoting Preventive Health	Sennakuppam & Valakottai panchayat, Chennai, Tamil Nadu	0.30	0.39	0.39	Help Foundation & Spize
94	General health & eye care treatment support to the under privileged rural community	Promoting Preventive Health	Gurgaon, Haryana	3.00	3.00	3.00	Sardar Ram Singh Kabli and Sardarni Harnam Kaur Trust
95	Improved Farming Practices for community	Rural Development projects	Baroda, Gujarat	0.04	0.18	0.18	Indo Global Social Service Society
96	Improved Farming Practices for community	Rural Development projects	Baroda, Gujarat	0.76	0.87	0.87	Gujarat Rural Institute For Socio Economic Reconstruction Vadodara
97	Bio-gas project	Rural Development projects	Baroda, Gujarat	0.13	0.26	0.26	Sintex Industries Ltd
Total						123.40	
Administrative Cost 5% of total expense						6.17	
Grand Total						129.57	

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Place: Gurgaon
Date: May 11, 2016.

(NEERAJ KANWAR)
Vice Chairman & Managing Director

(ONKAR S KANWAR)
Chairman of CSR Committee

Annexure III

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 consistently gets due importance in daily work management. Energy Cost and % Share in conversion cost, still are at pinnacle, in the manufacturing process across locations. Sustenance and Continual improvement of efficiency parameters supported by successful Implementation of Energy Management Standard, EnMS50001:2011 during the second half of financial year is a driving force to support the approach. Strategic Initiative identified last year, as “Synergy Projects” with path of Identification-Assessment-Implementation-Validation, helped plants to follow a standard methodology and arrive at a strong common base. Energy Efficient System Usage & Strengthening of Sustainability Initiatives became our core areas for Capex initiatives.

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

The energy efficiency, use and consumption is detailed for process equipments and utilities. This has ensured the process of energy planning, identification of variables, controls and opportunity to maintain, sustain, identify and reduce the specific energy consumption gain significant momentum. Some of the Energy Performance and Conservation measures taken being:

- Strengthening of Real Time Energy Cost optimization by Usage of Advanced Technique for energy source optimization for a location.
- Identification & Strengthening of Real Time measurement and monitoring of energy performance indicators related to work centre.
- Mapping of the energy consumption and control at usage end.
- Improvement in fuel efficiency by design change and benchmarking.
- Variable frequency drives usage at Pumps and Compressors.
- Horizontal deployment of Hydro Based Pumping systems for fine control of process parameters.
- LED technology for reducing the fixed lighting power consumption.

- Drive for identifying and implementing projects for fixed consumption reduction across plants.

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

- Resource Mapping of energy sources for energy security is done to insulate from escalating unit cost and to have a structured capex plan.
- Actions initiated for Procurement of energy from state grid to utilize the potential of low cost round the clock.
- Roof Top Solar Project being taken up at one of the plant as contribution to the state initiative, generate clean energy and also meet internal energy requirement.
- Establish footprint process of Geothermal Energy Usage to tap “Earth” as being a huge source to offset fixed component of the utility in the manufacturing process.
- Energy Management Standard (EnMS), ISO 50001 implemented across all plants in India.
- Synergy Projects Investment taken up as planned with balance in conservation, efficiency and new technology.
- Steps on course to Energy Mission 2020 road map taken is a “Apollo Way” to contribute back to society by improving energy performance & enhanced usage of renewable sources of energy.

B) Technology Absorption**(i) Efforts made towards Technology Absorption**

New projects that have been concluded includes rationalisation and standardization of Raw materials, compounds, specifications, simulation techniques etc across all locations. Several new innovative compounds were developed and industrialised qualifying the EU regulatory requirement like REACH; Conflict Minerals etc. Our R&D centre has initiated a number of new research projects in collaboration with external partners like National Research Institutes, Universities and RM suppliers. Some of the key projects are; Graphene in tread compounds, Nano delaminated clays, Deproteinised Natural Rubber, Silane modified clays, New generation silica, Self healing tyre etc., Research also focused on three fundamental performance requirement like Wear, Rolling Resistance & Wet Grip to have a better understanding of material, product, vehicle and its application.

R&D has developed winter products in TBR which were tested and approved in Ivalo test center in Finland and the newly developed super single trailer TBR in 55 Aspect ratio tyres are the standing testimony to Apollo's superior R&D capability. These products are getting introduced in the market in the current year.

The Company has introduced the Apollo Amazer 4G Life to the market to cater the needs of the mileage conscious buyers. These tyres are long lasting, offering superior longevity upto 100,000 kms or more.

The Company has recently entered into two wheeler tyre market with an impressive range of products in Actiseriess tradename, tested and approved by race drivers in sporting tracks for safety, comfort and economy. The initial product range offered is covering almost 85% of the motorcycle market and 100% of the scooter market in India. The Company is planning to enter the radial scooter-motorcycle market at the appropriate time.

Research projects is undertaken to improve recycling of used tyres and reuse back into the 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; improvement in extrusion speed, optimisation of cure cycle etc.

The Company had renewed its focus on ASEAN and SAARC markets to support the never ending needs of the customers for specific products.

In cross ply construction, R&D has created a range of truck tyres in Value range for steer, drive and trailer application & complete range of SCV tyres and 15" tyres for fast growing prick truck market.

R&D has developed a new concept in heavy duty semi lug category for truck and light commercial vehicles in Indonesian market which are gaining great appreciation from the customers.

In the Small Commercial Vehicle (SCV) segment tyres, your Company now has the widest range of tyres in the market.

A number of products being introduced in Off highway category to support both ASIAN and EUROPEAN markets. The largest loader tyre in 45/65-45 was introduced in India. A number of Multi Purpose Truck tyres in Industrial category in Apollo brand name was developed for European markets. Agro industrial radial tyres & Ultra large agri radial tyres in Vredestein brands were successfully developed for European markets.

The Company has made significant strides in the year gone by as our products have been approved by globally leading OEMs. Toyota launched its new vehicle Crysta & Suzuki launched its two new products Brezza and Baleno upgrade on Apollo tyres. Other multinational OEM approvals are Renault Lodgy, Skoda Superb, Fiat Punto Abarth and the major Indian player Mahindra approved our tyres for its two key products TUV 300 and New Quanto.

Leading 2 Wheeler manufacturer Bajaj has shown considerable interest in our just launched Actiseriess of motorcycle tyres and discussions are about to begin for further steps towards product approvals.

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

- Details of technology imported - No technology was imported during this financial year.
- Year of import – Not applicable.
- Whether the technology been fully absorbed – We are focusing on the development of our own technology through in-house R&D efforts.
- If not fully absorbed, areas where absorption has not taken place and reasons therefore.

The present technology is based on our own R&D efforts.

(iv) Expenditure incurred on Research and Development

	(₹ Million)
a) Capital	370.04
b) Deferred Revenue Expenditure	-
c) Revenue	1,342.52
d) Total	1,712.56
e) Total R&D expenditure as a % turnover	1.99%

C) Foreign Exchange Earnings and Outgo

	(₹ Million)
Foreign Exchange Earnings	
On account of direct - export sales from Apollo Tyres Ltd (FOB value)	7,392.91
On account of royalty from Foreign Subsidiary Companies	64.01
On account of interest received from Foreign Subsidiary Companies	15.76
On account of Cross Charge of Management Expenses from Foreign Subsidiary Companies	57.82
On account of Reimbursement of Expenses from Foreign Subsidiary Companies	345.96
Foreign Exchange outgo (other than CIF value of imports)	2,690.68

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 11, 2016

(NEERAJ KANWAR) (SUNAM SARKAR)
Vice-Chairman & Managing Director Director

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2016

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	3rd Floor, Areekal Mansion, Near Manorama Junction, Panampilly Nagar, Kochi- 682036, Kerala Ph:-91 484 4012046, 4012047
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Apollo Tyres Ltd, Apollo House, 7, Institutional Area, Sector-32, Gurgaon, Haryana- 122001

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Apollo (Mauritius) Holdings Pvt Ltd - Abax Corporate Services Ltd 6th Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius	N.A.	Subsidiary	100	2(87)
2	Apollo (South Africa) Holdings (Pty) Ltd - 150 Denne Road, Hughes, Boksburg, Gauteng, 1459.	N.A.	Subsidiary	100	2(87)
3	Apollo Tyres (Cyprus) Pvt Ltd - Zinonos Sozou, 12, P.C. 1075, nicosia, Cyprus	N.A.	Subsidiary	100	2(87)
4	Apollo Tyres (Greenfield) B.V. - Ir. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
5	Apollo Tyres (Hungary) Kft. - HU-1053, Budapest, Karolyiutca 12.3 em.	N.A.	Subsidiary	100	2(87)
6	Apollo Tyres Cooperatief U.A- Ir. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
7	Apollo Tyres AG- Mellingerstrassen 2a, 5400 Baden, Switzerland	N.A.	Subsidiary	100	2(87)
8	Apollo Tyres Global R & D B.V.- Colosseum 2, 7521 PT Enschede	N.A.	Subsidiary	100	2(87)
9	Apollo Tyres (Middle East) FZE - Building No-3, Galleries- Office No- GB030603, Jebel Ali- Dubai, UAE	N.A.	Subsidiary	100	2(87)
10	Apollo Tyres Holdings (Singapore)Pte. Ltd- 9 Temasek Boulevard, #42-01, Suntec Tower Two, Singapore 038989	N.A.	Subsidiary	100	2(87)
11	Apollo Tyres (Thailand) Limited-23FL, KPN Tower, 719, Rama-9 Road, Bang Kapi, Huay Kwang, Bangkok-10310	N.A.	Subsidiary	100	2(87)
12	Apollo Tyres (Brasil) Ltda.- Av. Presidente Juscelino Kubitschek, 1455, 6° andar, sala 12, CEP: 04543-011, São Paulo / SP	N.A.	Subsidiary	100	2(87)
13	Apollo Tyres B V- Ir. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
14	Apollo Tyres (UK) Pvt Ltd- 3rd Floor, Maddox House I, Maddox Street & 215-221, Regent Street London WIS 2PZ	N.A.	Subsidiary	100	2(87)

15	Apollo Tyres (Malaysia) Sdn Bhd - Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	N.A.	Subsidiary	100	2(87)
16	Apollo Tyres (Germany) GmbH - Am Prime Park 17, 65479 Raunheim	N.A.	Subsidiary	100	2(87)
17	Reifencom GmbH, Bielefeld - Am Stadtholz 24-26, D-33609 Bielefeld	N.A.	Subsidiary	100	2(87)
18	Reifencom GmbH, Hannover - Südfeldstr. 16, D-30453 Hannover	N.A.	Subsidiary	100	2(87)
19	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover - Südfeldstr. 16 D-30453 Hannover	N.A.	Subsidiary	100	2(87)
20	Reifencom Tyre (Qingdao) Co., Ltd - Room 306, International News Center No.50 Hong Kong Middle Road, Shinan Dist Qingdao 266000 P.R. China	N.A.	Subsidiary	100	2(87)
21	Apollo Tyres (London) Pvt Ltd- Third Floor, Maddox House 1 Maddox street & 215-221 Regent Street London W1S 2PZ	N.A.	Subsidiary	100	2(87)
22	Apollo Vredestein B.V.- Ir. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
23	Apollo Vredestein Kft.- Alkotás út 39/c 1123 Budapest	N.A.	Subsidiary	100	2(87)
24	Apollo Vredestein Belux- Buro&Design Center, Heizel Esplanade bus 6 1020 Brussel	N.A.	Subsidiary	100	2(87)
25	Vredestein Consulting BV- Ir. E.L.C. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
26	Finlo B.V.- Ir. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
27	Vredestein Marketing B.V- Ir. E.L.C. Schiffstraat 370, 7547 RD Enschede	N.A.	Subsidiary	100	2(87)
28	Vredestein Marketing B.V & Co. KG- Schulzendorferstrasse 12, 12529 Schonefeld	N.A.	Subsidiary	100	2(87)
29	Apollo Vredestein GesmbH- Seybelgasse 10-12, 1230 Wien	N.A.	Subsidiary	100	2(87)
30	Apollo Vredestein Schweiz AG- Mellingerstrasse 2A, Postfach 2112, 5402 Baden	N.A.	Subsidiary	100	2(87)
31	Apollo Vredestein S.R.L.- Via Edelweiss Rodriguez Senior n.3 int.13 47900 Rimini (RN)	N.A.	Subsidiary	100	2(87)
32	Apollo Vredestein Ibérica S.A.- Cityparc Edificio Bruselas, Ctra. De Hospitalet 147-149, 08940 Cornellà de Llobregat Barcelona	N.A.	Subsidiary	100	2(87)
33	Apollo Vredestein UK Ltd- 1 Beechwood, Cherry Hall Road, Kettering Business Park, Northants NN14 1UE	N.A.	Subsidiary	100	2(87)
34	Apollo Vredestein Nordic AB- Flöjelbergsgatan 18, 431 37 MÖLNDAL, SWEDEN	N.A.	Subsidiary	100	2(87)
35	Vredestein Norge A/S- Flöjelbergsgatan 18, 431 37 MÖLNDAL, SWEDEN	N.A.	Subsidiary	100	2(87)
36	Apollo Vredestein SAS- 59, Avenue Victor Hugo, 75116, Paris	N.A.	Subsidiary	100	2(87)
37	Apollo Vredestein GmbH- Rheinstrasse 103, Vallendar	N.A.	Subsidiary	100	2(87)
38	Apollo Vredestein Opony Polska sp. Z o.o.- Ul Prosta 32, 00-838 Warszawa	N.A.	Subsidiary	100	2(87)
39	Apollo Vredestein Tires Inc- 13, Bridge Street, Metuchen NJ 08840	N.A.	Subsidiary	100	2(87)
40	S.C. Vredestein RO S.R.L.- 400071 Cluj-Napoca str. Zrinyi Miklos nr. 7/3-4, Cluj	N.A.	Subsidiary	100	2(87)
41	Apollo Tyres Africa (Pty) Ltd - 150 Denne Road, Hughes, Boksburg, Gauteng, 1459.	N.A.	Subsidiary	100	2(87)
42	Pressurite (Pty) Ltd (RSA)- Unit 1, Aviation Crescent, Airport City, 7490	N.A.	Associate	28	2(6)
43	PAN Aridus LLC- PO Box 5134 Carefree, Arizona USA, 85377	N.A.	Joint Venture	50	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				
	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	1.05	5789791	0	5789791	1.14	0.09
b) Central Govt. or State Govt.	0	0	0	-	0	0	0	-	-
c) Bodies Corporates	216942501	7450	216949951	42.62	216942501	7450	216949951	42.62	-
d) Bank/FI	0	0	0	-	0	0	0	-	-
e) Any other	0	0	0	-	0	0	0	-	-
Sub Total (A) (1):-	222273292	7450	222280742	43.67	222732292	7450	222739742	43.76	0.09
(2) Foreign									
a) NRI- Individuals	1977000	0	1977000	0.39	1977000	0	1977000	0.39	-
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	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	224250292	7450	224257742	44.06	224709292	7450	224716742	44.15	0.09
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	38102943	1235200	39338143	7.73	35545596	744700	36290296	7.13	(0.60)
b) Banks/FI	169612	125250	294862	0.06	2386868	610750	2997618	0.59	0.53
c) Central Govt	0	0	0	-	0	0	0	-	-
d) State Govt.	10000000	0	10000000	1.96	10000000	0	10000000	1.96	-
e) Venture Capital Fund	0	0	0	-	0	0	0	-	-
f) Insurance Companies	2000000	45000	2045000	0.40	0	42000	42000	0.01	(0.39)
g) FIIS	155756558	501880	156258438	30.70	163512482	501880	164014362	32.22	1.52
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
Sub Total (B)(1):-	206029113	1907330	207936443	40.85	211444946	1899330	213344276	41.91	1.06
(2) Non Institutions									
a i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	24427080	8621682	33048762	6.49	29169095	8357943	37527038	7.37	0.88
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	1160000	0	1160000	0.23	1140000	0	1140000	0.22	(0.00)
b) Others (specify)									
NRIs	2010806	590240	2601046	0.51	1903787	575240	2479027	0.49	(0.02)
Foregin National	680	0	680	0.00	700	0	700	0.00	0.00
Unclaimed Suspense A/c	1433480	0	1433480	0.28	1414680	0	1414680	0.28	(0.00)
Others (balancing figure)	38348397	238220	38586617	7.58	28165887	236420	28402307	5.58	(2.00)
Sub Total (B)(2):-	67380443	9450142	76830585	15.09	61794149	9169603	70963752	13.94	(1.15)
Total Public Shareholding (B)= (B)(1)+(B)(2)	273409556	11357472	284767028	55.94	273239095	11068933	284308028	55.85	(0.09)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	497659848	11364922	509024770	100.00	497948387	11076383	509024770	100.00	-

(ii) Shareholding of Promoters

Sl No. Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1 Neeraj Consultants Ltd	42508142	8.35	0.87	42508142	8.35	1.05	-
2 Constructive Finance Pvt Ltd	29630857	5.82	0.38	29630857	5.82	0.38	-
3 Apollo Finance Ltd	36759650	7.22	0.51	36759650	7.22	0	-
4 Sunrays Properties & Investment Co. Pvt Ltd	35725648	7.02	2.40	35725648	7.02	3.63	-
5 Apollo International Ltd	17527080	3.44	0	17527080	3.44	0	-

SI No. Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
6 Motlay Finance Pvt Ltd	12618036	2.48	1.09	12618036	2.48	1.41	-
7 Sacred Heart Investment Co. Pvt Ltd	9453180	1.86	0	9453180	1.86	0	-
8 Classic Autotubes Ltd	14493500	2.85	0	14493500	2.85	0	-
9 Ganga Kaveri Credit & Holding Pvt Ltd	7688380	1.51	0	7688380	1.51	0	-
10 Indus Valley Investment & Finance Pvt Ltd	5076040	1.00	0	5076040	1.00	0	-
11 Mr Onkar S. Kanwar	4906781	0.96	0	4906781	0.96	0	-
12 Global Capital Ltd	3627158	0.71	0	3627158	0.71	0	-
13 Mrs Shalini Chand	1977000	0.39	0	1977000	0.39	0	-
14 Kenstar Investment & Finance Pvt Ltd	1842280	0.36	0	1842280	0.36	0	-
15 Mr Neeraj Kanwar	212380	0.04	0	671380	0.13	0	0.09
16 Mr Raaja Kanwar	180880	0.04	0	180880	0.04	0	-
17 Mrs Simran Kanwar	18500	0.00	0	18500	0.00	0	-
18 Mrs Taru Kanwar	12250	0.00	0	12250	0.00	0	-
Total	224257742	44.06	5.25	224716742	44.15	6.47	0.09

(iii) Change In Promoters' Shareholding

SI No. Particulars	Shareholding at the beginning 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 At the Beginning of the year (April 1, 2015)	224257742	44.06	224257742	44.06
2 Mr Neeraj Kanwar purchased 459000 shares during the year	459000	0.09	459000	0.09
3 At the end of the year (March 31, 2016)	224716742	44.15	224716742	44.15

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders Of GDRs & ADRs)

SI No.	Folio No./Dp ID/ Client ID	Name of Shareholders	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	IN30005410015680	LSV Emerging Markets Equity Fund LP	4317400	0.85	01/04/2015	-	-	4317400	0.85
					06/11/2015	908200	Transfer	5225600	1.03
					13/11/2015	265400	Transfer	5491000	1.08
					31/03/2016	-	-	5491000	1.08
					01/04/2015	-	-	11697128	2.30
2	IN30005410016472	Credit Suisse (Singapore) Limited	11697128	2.30	10/04/2015	2345559	Transfer	14042687	2.76
					17/04/2015	(1731565)	Transfer	12311122	2.42
					24/04/2015	9761	Transfer	12320883	2.42
					08/05/2015	(332010)	Transfer	11988873	2.36
					15/05/2015	(477695)	Transfer	11511178	2.26
					22/05/2015	145265	Transfer	11656443	2.29
					29/05/2015	228848	Transfer	11885291	2.33
					05/06/2015	(670336)	Transfer	11214955	2.20
					12/06/2015	(1195728)	Transfer	10019227	1.97
					19/06/2015	(452174)	Transfer	9567053	1.88
					03/07/2015	342	Transfer	9567395	1.88
					10/07/2015	439	Transfer	9567834	1.88
					17/07/2015	(519098)	Transfer	9048736	1.78
					24/07/2015	(1081174)	Transfer	7967562	1.57
					31/07/2015	(9815)	Transfer	7957747	1.56
					05/08/2015	(182352)	Transfer	7775395	1.53

Sl No.	Folio No./Dp ID/ Client ID	Name of Shareholders	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
					07/08/2015	2601	Transfer	7777996	1.53
					14/08/2015	(871324)	Transfer	6906672	1.36
					21/08/2015	(10171)	Transfer	6896501	1.35
					28/08/2015	(384021)	Transfer	6512480	1.28
					04/09/2015	(40251)	Transfer	6472229	1.27
					11/09/2015	(324001)	Transfer	6148228	1.21
					18/09/2015	(375605)	Transfer	5772623	1.13
					25/09/2015	(435865)	Transfer	5336758	1.05
					30/09/2015	(206826)	Transfer	5129932	1.01
					02/10/2015	(232862)	Transfer	4897070	0.96
					09/10/2015	5706	Transfer	4902776	0.96
					16/10/2015	295676	Transfer	5198452	1.02
					30/10/2015	(238792)	Transfer	4959660	0.97
					06/11/2015	(104850)	Transfer	4854810	0.95
					20/11/2015	(169358)	Transfer	4685452	0.92
					27/11/2015	18000	Transfer	4703452	0.92
					04/12/2015	171400	Transfer	4874852	0.96
					11/12/2015	(115651)	Transfer	4759201	0.93
					08/01/2016	78624	Transfer	4837825	0.95
					15/01/2016	(612598)	Transfer	4225227	0.83
					22/01/2016	93754	Transfer	4318981	0.85
					29/01/2016	(138296)	Transfer	4180685	0.82
					05/02/2016	415673	Transfer	4596358	0.90
					12/02/2016	416762	Transfer	5013120	0.98
					19/02/2016	24040	Transfer	5037160	0.99
					26/02/2016	(103783)	Transfer	4933377	0.97
					04/03/2016	982687	Transfer	5916064	1.16
					11/03/2016	1031696	Transfer	6947760	1.36
					18/03/2016	560097	Transfer	7507857	1.47
					25/03/2016	721727	Transfer	8229584	1.62
					31/03/2016	716463	Transfer	8946047	1.76
3	IN30005410026602	Skagen Kon-Tiki Verdipapirfond	12357560	2.43	01/04/2015	-	-	12357560	2.43
					12/06/2015	55500	Transfer	12413060	2.44
					19/06/2015	615805	Transfer	13028865	2.56
					31/03/2016	-	-	13028865	2.56
4	IN30005410040054	Dimensional Emerging Markets Value Fund	5022575	0.99	01/04/2015	-	-	5022575	0.99
					10/04/2015	104744	Transfer	5127319	1.01
					17/04/2015	104175	Transfer	5231494	1.03
					14/08/2015	68219	Transfer	5299713	1.04
					28/08/2015	144560	Transfer	5444273	1.07
					04/09/2015	124853	Transfer	5569126	1.09
					11/09/2015	230796	Transfer	5799922	1.14
					18/09/2015	55581	Transfer	5855503	1.15
					30/10/2015	12618	Transfer	5868121	1.15
					06/11/2015	29474	Transfer	5897595	1.16
					13/11/2015	78628	Transfer	5976223	1.17
					20/11/2015	16983	Transfer	5993206	1.18
					27/11/2015	58737	Transfer	6051943	1.19
					31/12/2015	43360	Transfer	6095303	1.20
					08/01/2016	48505	Transfer	6143808	1.21
					15/01/2016	169844	Transfer	6313652	1.24
					22/01/2016	134544	Transfer	6448196	1.27
					31/03/2016	208200	Transfer	6656396	1.31
5	IN30005410076881	Government Pension Fund Global	5052764	0.99	01/04/2015	-	-	5052764	0.99
					29/05/2015	(226044)	Transfer	4826720	0.95
					05/06/2015	(151956)	Transfer	4674764	0.92
					26/02/2016	(398830)	Transfer	4275934	0.84
					04/03/2016	(445337)	Transfer	3830597	0.75
					31/03/2016	-	-	3830597	0.75
6	IN30023910664696	Governor of Kerala	5000000	0.98	01/04/2015	-	-	5000000	0.98
					31/03/2016	-	-	5000000	0.98
7	IN30023910150207	Kerala State Industrial Development Corporation	5000000	0.98	01/04/2015	-	-	5000000	0.98
					31/03/2016	-	-	5000000	0.98

Sl No.	Folio No./Dp ID/ Client ID	Name of Shareholders	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
8	IN30081210490967	UTI-Opportunities Fund	4395716	0.86	01/04/2015	-	-	4395716	0.86
					10/04/2015	60000	Transfer	4455716	0.88
					12/06/2015	50000	Transfer	4505716	0.89
					23/10/2015	(170000)	Transfer	4335716	0.85
					30/10/2015	(75879)	Transfer	4259837	0.84
					15/01/2016	(152995)	Transfer	4106842	0.81
					05/02/2016	(581075)	Transfer	3525767	0.69
					12/02/2016	(105767)	Transfer	3420000	0.67
					19/02/2016	(450000)	Transfer	2970000	0.58
					26/02/2016	(225000)	Transfer	2745000	0.54
					04/03/2016	(45000)	Transfer	2700000	0.53
					18/03/2016	(90000)	Transfer	2610000	0.51
					25/03/2016	(135000)	Transfer	2475000	0.49
					31/03/2016	-	-	2475000	0.49
9	IN30133019132926	Custodian A/c - Ashwin Shantilal Mehta	13507300	2.65	01/04/2015	-	-	13507300	2.65
					31/03/2016	-	-	13507300	2.65
10	IN30343810004305	Franklin Templeton Investment Funds	9361022	1.84	01/04/2015	-	-	9361022	1.84
					01/05/2015	141785	Transfer	9502807	1.87
					08/05/2015	743483	Transfer	10246290	2.01
					15/05/2015	139740	Transfer	10386030	2.04
					22/05/2015	892	Transfer	10386922	2.04
					19/06/2015	301615	Transfer	10688537	2.10
					26/06/2015	32658	Transfer	10721195	2.11
					03/07/2015	377492	Transfer	11098687	2.18
					24/07/2015	575894	Transfer	11674581	2.29
					07/08/2015	283805	Transfer	11958386	2.35
					14/08/2015	683982	Transfer	12642368	2.48
					21/08/2015	326998	Transfer	12969366	2.55
					28/08/2015	301943	Transfer	13271309	2.61
					04/09/2015	224135	Transfer	13495444	2.65
					11/09/2015	259888	Transfer	13755332	2.70
					18/09/2015	125203	Transfer	13880535	2.73
					25/09/2015	263152	Transfer	14143687	2.78
					09/10/2015	36557	Transfer	14180244	2.79
					22/01/2016	210071	Transfer	14390315	2.83
					29/01/2016	59866	Transfer	14450181	2.84
					05/02/2016	1229076	Transfer	15679257	3.08
					12/02/2016	489427	Transfer	16168684	3.18
					19/02/2016	1309400	Transfer	17478084	3.43
					26/02/2016	300487	Transfer	17778571	3.49
					04/03/2016	241258	Transfer	18019829	3.54
					11/03/2016	299765	Transfer	18319594	3.60
					31/03/2016	-	-	18319594	3.60
11	IN30343810004432	Templeton Global Investment Trust - Templeton Emerging Markets Small CA	1197512	0.24	01/04/2015	-	-	1197512	0.24
					03/07/2015	377641	Transfer	1575153	0.31
					10/07/2015	165787	Transfer	1740940	0.34
					23/10/2015	800000	Transfer	2540940	0.50
					30/10/2015	1058298	Transfer	3599238	0.71
					22/01/2016	186300	Transfer	3785538	0.74
					29/01/2016	54800	Transfer	3840338	0.75
					05/02/2016	860528	Transfer	4700866	0.92
					12/02/2016	437300	Transfer	5138166	1.01
					19/02/2016	1170558	Transfer	6308724	1.24
					31/03/2016	-	-	6308724	1.24
12	IN30343810013442	Stichting Depository Apg Emerging Markets Equity Pool	0	0	01/04/2015	-	-	0	0
					21/08/2015	4286147	Transfer	4286147	0.84
					19/02/2016	157276	Transfer	4443423	0.87
					26/02/2016	1337760	Transfer	5781183	1.14
					11/03/2016	196200	Transfer	5977383	1.17
					18/03/2016	361931	Transfer	6339314	1.25
13	IN30014210603066	Investec Global Strategy Fund A/c Asian Equity Fund	5058811	0.99	31/03/2016	-	-	6339314	1.25
					01/04/2015	-	-	5058811	0.99
					10/04/2015	(5058811)	Transfer	0	0.00
					31/03/2016	-	-	0	0.00

(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, 2015)	4906781	0.96%	4906781	0.96%
	Transaction (Purchase/ sale) from April 1, 2015 upto March 31, 2016	-	-	-	-
	At the end of the year (March 31, 2016)	4906781	0.96%	4906781	0.96%
2	Mr Neeraj Kanwar - Vice Chairman & Managing Director				
	At the Beginning of the Year (April 1, 2015)	212380	0.04%	212380	0.04%
	Transaction (Purchase/ sale) from April 1, 2015 upto March 31, 2016	459000	0.09%	459000	0.09%
	At the end of the year (March 31, 2016)	671380	0.13%	671380	0.13%
3	Mr Vikram S Mehta - Director				
	At the Beginning of the Year (April 1, 2015)	6000	0.00%	6000	0.00%
	Transaction (Purchase/ sale) from April 1, 2015 upto March 31, 2016	-	-	-	-
	At the end of the year (March 31, 2016)	6000	0.00%	6000	0.00%

The following Directors/Key Managerial Personnel(KMP) did not hold any shares during FY2016:

(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) Mrs Pallavi Shroff, Director (ix) General Bikram Singh (Retd.), Director (x) Mr Vinod Rai, Director (xi) Mr Francesco Gori, Director (xii) Mr Gaurav Kumar CFO-KMP and (xiii) Mrs Seema Thapar, Company Secretary-KMP.

V INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	6,224.11	-	-	6,224.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	88.08	-	-	88.08
Total (i+ii+iii)	6,312.19	-	-	6,312.19
Change in Indebtedness during the financial year				
Additions	-	5,100.00	-	5,100.00
Reduction	3,135.21	5,100.00	-	8,235.21
Net Change	(3,135.21)	-	-	(3,135.21)
Indebtedness at the end of the financial year				
i) Principal Amount	3,088.90	-	-	3,088.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86.84	-	-	86.84
Total (i+ii+iii)	3,175.74	-	-	3,175.74

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/WTM/Manager			Total
1	Gross salary	Onkar S Kanwar	Neeraj Kanwar	Sunam Sarkar	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	113.26	73.28	4.86	191.40
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.24	0.07	0.07	0.38
	(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	411.00	274.00	-	685.00
	Others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	524.50	347.35	4.93	876.78
	Ceiling as per the Act	₹ 1371.39 Million (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to Other Directors:

(₹ Million)										
Sl.No	Particulars of Remuneration	Name of the Directors								
		A.K.	Askhay	Bikram	Nimesh N	Pallavi	S	Vinod	Vikram	K Jacob
		Purwar	Chudasama	Singh	Kampani	Shroff	Narayan	Rai	S.Mehta	Thomas
1	Independent Directors									
	(a) Fee for attending board / committee meetings	0.80	1.40	0.80	0.90	0.80	1.90	0.20	0.60	0.00
	(b) Commission	5.17	5.17	3.31	5.17	5.17	5.17	0.74	5.17	0.53
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	5.97	6.57	4.11	6.07	5.97	7.07	0.94	5.77	0.53
2	Other Non-Executive Directors	Francesco Gori	PH Kurian *	Robert Steinmetz	Sunam Sarkar					
	(a) Fee for attending board / committee meetings	0.20	0.20	1.00	0.80					
	(b) Commission	0.74	5.17	5.17	3.31					
	(c) Others, please specify	-	-	-	-					
	Total (2)	0.94	5.37	6.17	4.11					
	Total (B)=(1+2)									
	Total Managerial Remuneration (A+B)									
	Overall Ceiling as per the Act.	₹ 1508.53 Million (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	
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	
	(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	

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/ punishment/ compounding of offences under Companies Act for the year ended March 31, 2016.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 11, 2016

(NEERAJ KANWAR) (SUNAM SARKAR)
Vice-Chairman & Managing Director Director

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 Regulation 4 (2) read with Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company voluntarily governs itself as per highest standards of ethical and responsible conduct of business in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

The majority of the provisions of the 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. The current annual report of your Company contains all the information and disclosures which are required to be given under Companies Act, 2013/Listing Regulations.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the details of implementation of the corporate governance code by your Company as contained in the Listing Regulations:

1. CORPORATE GOVERNANCE PHILOSOPHY

At Apollo Tyres Ltd ("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, 2016 meet the requirements of Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Board of Directors consist of 14 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	2	14
Non Executive (including independent directors)	12	86
Total	14	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	4	2	7	Yes
Mr Neeraj Kanwar Vice Chairman & Managing Director	Executive	2	2	6	Yes
Mr Akshay Chudasama	Non-Executive Independent	4	1	6	Yes
Mr A. K. Purwar	Non-Executive Independent	9	6	7	Yes
Mr Nimesh N. Kampani	Non-Executive Independent	7	5	6	Yes
Mr P. H. Kurian ⁽⁴⁾ Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Non-Independent	10	-	2	Yes
Mr Robert Steinmetz	Non-Executive Non-Independent	-	-	5	Yes
Mr Sunam Sarkar	Non-Executive Non-Independent	-	-	6	Yes
Dr S. Narayan	Non-Executive Independent	5	2	6	Yes
Mr Vikram S.Mehta	Non-Executive Independent	6	1	5	No
Mrs Pallavi Shroff	Non-Executive Independent	3	1	6	Yes
Gen. Bikram Singh (Retd.) ⁽⁵⁾	Non-Executive Independent	-	-	5	N.A
Mr Vinod Rai ⁽⁶⁾	Non-Executive Independent	3	4	2	N.A.
Mr Francesco Gori ⁽⁷⁾	Non-Executive Non-Independent	-	-	2	N.A

⁽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 FY16, seven 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⁾ Gen. Bikram Singh (Retd.) appointed as an Additional Director of the Company w.e.f. August 11, 2015.

⁽⁶⁾ Mr Vinod Rai appointed as an Additional Director of the Company w.e.f. February 9, 2016.

⁽⁷⁾ Mr Francesco Gori appointed as an Additional Director of the Company w.e.f. February 9, 2016.

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.

Mrs Pallavi Shroff and Mr Akshay Chudasama, Managing Partners of M/s. Shardul Amarchand Mangaldas & Co., carrying out practice of solicitors and advocates on record, to whom the Company has paid fee of ₹ 6.41 million for FY16 for professional advice rendered by the firm in which they are interested. The Board has determined that such payment in the context of overall expenditure by the Company, is not significant and does not affect their independence.

As required under Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors was held

on November 19, 2015. The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of non independent Directors and board as a whole;
- Performance of the Chairman of the Company, taking into account the views of executive Directors and non-executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

(b) Performance evaluation of Independent Directors:

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

(c) Board Functioning & Procedure:

Apollo Tyres' Board is committed to ensure good governance through a style of functioning that is self-governing. The members of the Board always have complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board Meetings.

Apollo Tyres' Board meets at least once in every quarter to discuss and review the quarterly results and other items of agenda, including the information required to be placed before the Board, as required under Regulation 17 (7) read with Part A, Schedule II of the Listing Regulations and additional meetings are held as and when required. The meeting dates are usually finalized well before the beginning of the year. The Chairman/Vice Chairman of the Board 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 1976, 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. 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) and the Indian Institute of Information Technology Design & Manufacturing (IIITDM).

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 Ltd, Mr Neeraj Kanwar plays a pivotal role in Apollo's journey towards becoming one of the most admired automotive tyre brands. Mr Neeraj Kanwar has pioneered

key initiatives in enhancing the competitiveness of the company's operations and products across the board. He is responsible for crafting Apollo's growth story - taking the company from US\$450 million to US\$2 billion within a 5 year time span. Under his able leadership Apollo acquired Dunlop Tyres International in South Africa and Zimbabwe in 2006, Vredestein Banden B V in the Netherlands in 2009, and 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 people management skills helped him bring overarching changes in industrial relations, upgradation of technology and benchmarking on product and efficiency parameters.

In 2002, he took over as the Chief Operating Officer of the organisation, wherein he introduced value-driven process improvements in human resources and information technology. Mr Neeraj Kanwar was appointed Joint Managing Director in 2006 and elevated to Vice Chairman in 2008, and soon after 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 sportsman. 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 FY16, 7 (seven) Board Meetings were held on April 2, 2015, May 12, 2015, August 11, 2015, October 30, 2015, November 16, 2015, February

9, 2016 and March 16, 2016. The gap between any two meetings never exceeded 120 days as per the requirements of Regulation 17 (2) of the Listing Regulations.

- (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 15 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The present Audit Committee comprises of following three Directors viz. Dr S Narayan, Mr Akshay Chudasama and Mr Robert Steinmetz, with the Independent Directors

forming the majority. 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 Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
- Reviewing changes, if any, in accounting policies and practices and reasons for the same;
- Reviewing major accounting entries involving estimates based on the exercise of judgment by management;
- Reviewing significant adjustments made in the financial statements arising out of audit findings;
- Reviewing compliance with listing and other legal requirements relating to financial statements;
- Reviewing disclosure of any related party transactions;
- Reviewing 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up 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, shareholders (in case of non-payment of declared dividends) and creditors;
- Review of the functioning of 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;
- Review of Management Discussion and Analysis of financial condition and results of operations;
- Review Statement of significant related party transactions submitted by Management;
- Review of Management Letters/Letters of internal control weaknesses issued by the statutory auditors;
- Review of Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the chief internal auditor;
- Review of statement of deviations, if any:-
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1)
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32 (7).

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

During the FY16, 4 (four) Audit Committee meetings were held on May 11, 2015, August 10, 2015, October 29, 2015 and February 8, 2016.

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	Member	Non- Executive Non-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), President (EA), Group Head (Corporate Accounts), Internal Auditor, Cost Auditor and Statutory Auditor of the Company, wherever necessary, and those executives of the Company who were considered necessary for providing inputs to the Committee.

The Company Secretary acts as Secretary of the Committee.

The Chairman of the Audit Committee, Dr S.Narayan, was present at the Annual General Meeting of the Company held on August 11, 2015.

(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 Committee

The Board of Directors had constituted a Remuneration Committee in the year 2003. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The 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. Dr S Narayan is the Chairman of the Committee.

The Nomination and Remuneration Committee has devised a policy on Board diversity in terms with the requirement under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company Secretary acts as the Secretary of the Committee.

(b) Brief description of the Terms of Reference

The Nomination and Remuneration Committee has been entrusted with the responsibilities to review and grant annual increments, vary and/or modify the terms and conditions of appointment/re-appointment including remuneration and perquisites, commission etc. payable to Managing Directors within the overall ceiling of remuneration as approved by the members.

The Committee in its meeting held on May 15, 2014, noted the following terms of reference pursuant to Section 178 of the Companies Act, 2013 & Regulation 19 (4) read with Part D Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Formerly Clause 49 of the Listing Agreement) :-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To see that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To see that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- To see that remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- The Nomination Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

(c) Policy for appointment and remuneration

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The 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 persons who are qualified to becoming Director and who can be appointed in senior management:

- 1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- 1.2 A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- 1.3 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

- 1.4 The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- 1.5 The Company should ensure that the person so appointed as Director/Independent Director/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 1.6 The Director/Independent Director / Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
- 1.7 Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 16 (b) & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The term "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management 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 factor for determining positive attributes of directors (including independent directors):

- 2.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- 2.2 Actively update their knowledge and skills with the latest developments in the Tyre/Automobile industry, market conditions and applicable legal provisions.

- 2.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- 2.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- 2.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- 2.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

Criteria for determining Independence:

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in Regulation 16 (b) & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND OTHER EMPLOYEES

On the appointment or re-appointment of Managing Director, Whole-time Director and KMP, 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 KMP (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 / Executive / Managing Director

3.2.1 Fixed pay:

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders 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 in accordance with the provisions of the Companies Act, 2013.

3.2.3 Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the 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

₹ 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 Act.

3.3.3 Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

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 FY16, 3 (three) Nomination and Remuneration Committee meetings were held on May 11, 2015, August 11, 2015 and February 8, 2016.

Name of Director	Designation	Category of Director	No. of meetings attended
Dr S. Narayan	Chairman	Non- Executive Independent	3
Mr Onkar S. Kanwar	Member	Executive	3
Mr Akshay Chudasama	Member	Non- Executive Independent	3
Mr Nimesh N. Kampani (appointed as member w.e.f. May 12, 2015)	Member	Non- Executive Independent	2

(e) Payment of remuneration/sitting fee to the Directors etc.

The details of remuneration paid to Directors during FY16 are given below.

(i) Executive Directors/CFO/Company Secretary:

Particulars	Amount (₹ Million)		
	Mr Onkar S Kanwar, Managing Director	Mr Neeraj Kanwar, Managing Director	Mr Sunam Sarkar, Whole-time Director *
Salary	48.00	28.80	3.03
Contribution to PF / Superannuation/ Gratuity	15.27	9.13	0.82
Commission / Performance Bonus	411.00	274.00	-
Perquisites	58.50	40.38	1.54
Total Remuneration	532.77	352.31	5.39
Stock Option	N.A	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A	N.A

Particulars	Amount (₹ Million)	
	Mr Gaurav Kumar ** Chief Financial Officer	Mrs Seema Thapar, Company Secretary
Salary	5.40	1.04
Contribution to PF / Superannuation/ Gratuity	1.46	0.28
Commission / Performance Bonus	6.73	0.86
Perquisites	10.43	1.53
Total Remuneration	24.02	3.71
Stock Option	N.A	N.A
Service contracts, notice period, severance fees	N.A	N.A

*Mr Sunam Sarkar ceased to be Whole Time Director w.e.f. August 11, 2015.

**Mr Gaurav Kumar was appointed as CFO w.e.f. May 12, 2015. Mr Raj Banerji resigned as CFO w.e.f. April 30, 2015. Mr Raj Banerji received remuneration from wholly owned subsidiary of the company.

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 FY16 was as follows: Mr Onkar S. Kanwar – 1425 and Mr Neeraj Kanwar – 942.
- 3) The percentage increase in the remuneration, during FY-16 over the previous financial year, was as follows: Mr Onkar S. Kanwar - 28%, Mr Neeraj Kanwar – 29%. 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 of Mr Gaurav Kumar, Chief Financial Officer and Mrs Seema Thapar, Company Secretary is not applicable as they were appointed as KMP during FY16.

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

Name of Director	Remuneration for FY16 (₹ Million)	Remuneration for FY15 (₹ Million)	% increase in Remuneration	Ratio to median remuneration of employees
Mr A. K. Purwar	5.17	5.56	(6.87)	14
Mr Akshay Chudasama	5.17	5.56	(6.87)	14
Gen. Bikram Singh (Retd.) ⁽¹⁾	3.31	N.A.	N.A.	N.A.
Mr Francesco Gori ⁽²⁾	0.74	N.A.	N.A.	N.A.
Mr P. H. Kurian ⁽³⁾	5.17	5.56	(6.87)	14
Mr K. Jacob Thomas ⁽⁴⁾	0.53	5.56	N.A.	N.A.
Mr Nimesh N. Kampani	5.17	5.56	(6.87)	14
Mrs Pallavi Shroff ⁽⁵⁾	5.17	4.89	N.A.	N.A.
Mr Robert Steinmetz	5.17	5.56	(6.87)	14
Dr S. Narayan	5.17	5.56	(6.87)	14
Mr Sunam Sarkar	3.31	N.A.	N.A.	N.A.
Mr Vikram S. Mehta	5.17	5.56	(6.87)	14
Mr Vinod Rai ⁽²⁾	0.74	N.A.	N.A.	N.A.

⁽¹⁾ Appointed w.e.f. August 11, 2015

⁽²⁾ Appointed w.e.f. February 9, 2016

⁽³⁾ Payment of Commission is payable to Government of Kerala.

⁽⁴⁾ Ceased w.e.f. May 8, 2015

⁽⁵⁾ Appointed w.e.f. May 15, 2015

The amount of total commission paid in FY16 to non executive directors was the same as paid in the FY15. The percentage increase in the remuneration by way of commission to non executive directors is negative due to distribution of commission amongst 13 Directors in FY16 as compared to 10 Directors in FY15.

- 4) The number of permanent employees on the rolls of Company were 12,853 as on March 31, 2016.
- 5) The explanation on the relationship between average increase in remuneration and Company's performance.

The net profit growth during FY16 was 32% 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 FY16 was 32% (from ₹ 6450 Million in FY15 to ₹ 8525 Million in FY16) whereas the remuneration of the Key Managerial Personnel grew by 21% over the previous fiscal year (from ₹ 753.14 Million in FY15 to ₹ 912.80 Million in FY16).

- 7) a) Variations in the market capitalization of the Company: The market capitalization of the Company as on March 31, 2016 was ₹ 89028 million (₹ 85643 million as on March 31, 2015). Market capitalization increased by 3.95% on March 31, 2016 in comparison to March 31, 2015.
- b) Price earnings ratio: Price earnings ratio of the Company was 10.44 as on March 31, 2016 and was 13.25 as at March 31, 2015.
- 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 ₹ 1,74,900/- as on March 31, 2016 indicating a growth of 17,490 %. 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 in FY16 was 8% whereas the managerial remuneration for the same financial year increased by 20%. The increase in managerial remuneration attributed due to increase in payment of commission linked to net profits of the Company which increased by 32% for FY16.

- 9) Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company :

The percentage increase in the remuneration, during FY16 over the previous financial year, was as follows: Mr Onkar S. Kanwar - 28%, Mr Neeraj Kanwar - 29%. The net profit growth during FY16 was 32%.

Comparison of the remuneration of Mr Gaurav Kumar, Chief Financial Officer and Mrs Seema Thapar, Company Secretary against the performance of the Company is not applicable as they were appointed as KMP during FY16.

- 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 FY16.
- 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 FY16 (₹ Million)	No. of Shares held as on March 31, 2016
Mr A. K. Purwar	0.80	5.17	-
Mr Akshay Chudasama	1.40	5.17	-
Gen. Bikram Singh (Retd.) ⁽¹⁾	0.80	3.31	-

Name of Director	Sitting fee (₹ Million)	Commission provided for the FY16 (₹ Million)	No. of Shares held as on March 31, 2016
Mr Francesco Gori ⁽²⁾	0.20	0.74	-
Mr K. Jacob Thomas ⁽³⁾	0.00	0.53	442050
Mr P. H. Kurian ⁽⁴⁾	0.20	5.17	-
Mr Nimesh N. Kampani	0.90	5.17	-
Mrs Pallavi Shroff	0.80	5.17	-
Mr Robert Steinmetz	1.00	5.17	-
Dr S. Narayan	1.90	5.17	-
Mr Sunam Sarkar	0.80	3.31	-
Mr Vikram S. Mehta	0.60	5.17	6000
Mr Vinod Rai ⁽²⁾	0.20	0.74	-

⁽¹⁾Appointed w.e.f. August 11, 2015

⁽²⁾Appointed w.e.f. February 9, 2016

⁽³⁾Ceased w.e.f. May 8, 2015

⁽⁴⁾Sitting fee/ commission is payable to Government of Kerala.

An amount of ₹ 500 million be paid and disbursed amongst the Directors of the Company (other than Managing Directors) equally in proportion to their tenure of Directorship for the financial year ended March 31, 2016.

No convertible instruments of the Company were outstanding as on March 31, 2016.

6. Stakeholders Relationship Committee

Stakeholders Relationship 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 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 Mrs Pallavi Shroff. Dr S.Narayan, Independent Director acts as the Chairman of the Committee.

Pursuant to Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs Seema Thapar, Company Secretary acts as the Compliance Officer and Secretary to the Committee

(b) Terms of reference

This Committee has been formed with a view to undertake the following: -

- Approval of transfer/transmission of shares/debentures issued by the Company, issue of duplicate certificates and certificates after split/consolidation/ replacement.
- Looking into the redressal of shareholders' and investors' complaints and other areas of investor services.

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

During FY16, 6 (six) meetings of the Stakeholders Relationship Committee were held on April 2, 2015, May 12, 2015, August 14, 2015, October 28, 2015, December 14, 2015 and February 25, 2016.

Name of Director	Designation	Category of Director	No. of meetings attended
Dr S. Narayan	Chairman	Non-Executive Independent	2
Mr Onkar S. Kanwar	Member	Executive	6
Mr Neeraj Kanwar	Member	Executive	4
Mr Sunam Sarkar	Member	Non-Executive Non-Independent	6
Mrs Pallavi Shroff	Member	Non-Executive Independent	1

(d) No. of shareholders' complaints received

During FY16, the Company received 34 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.

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.

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

b) Composition of CSR Committee

The Board of Directors had constituted a Corporate Social Responsibility Committee in the year 2014. The present Corporate Social Responsibility Committee comprises of following four Directors viz Mr Onkar S. Kanwar, Dr S.Narayan, Mr Sunam Sarkar and General Bikram Singh (Retd.). Mr Onkar S. Kanwar acts as the Chairman of the Committee. Pursuant to Section 178 of the Companies Act, 2013, the Corporate Social Responsibility Committee was reconstituted, by inducting General Bikram Singh (Retd.), Director, as a member of the Committee, on August 11, 2015.

c) Meeting of CSR Committee and attendance of members during the year

During FY16, 3(three) meeting of CSR Committee was held on May 11, 2015, October 26, 2015 and March 17, 2016.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr Onkar S Kanwar	Chairman	Executive	3
Dr S Narayan	Member	Non-Executive Independent	3
Mr Sunam Sarkar	Member	Non-Executive Non-Independent	3
Gen. Bikram Singh (Retd.)	Member	Non-Executive Independent	2

Your Company has also laid down a CSR Policy in order to execute its various CSR Initiatives.

The Company Secretary acts as the Secretary to the Committee.

8. CEO/CFO Certification

The Managing Director and CFO have submitted certificate, in terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the Board.

9. General Body Meetings

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2014-2015	August 11, 2015	10.00 A.M	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi (Kerala)	No Special Resolution was passed
2013-2014	August 6, 2014	-do-	-do-	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	August 7, 2013	-do-	-do-	No Special Resolution was passed

(b) Resolutions passed last year through postal ballot:

- i. Resolution passed during FY16: Pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company had conducted the following voting through postal ballot (Including Electronic Voting) and sent the postal ballot form to shareholders. The following resolution was passed through postal ballot:-

Last Date of Dispatch of Postal Ballot Forms	Items approved by the shareholders	Date of passing of resolution	Ordinary/ Special resolution
September 17, 2015	Authorisation for Private Placement of Non-Convertible Debentures.	October 17, 2015	Special Resolution

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

Particulars	Physical	E-Voting	Total
Number of Postal Ballots received	1100	748	1848
Total number of valid votes	2829931	384417220	387247151
Votes cast in favour of the Resolution	2810304	384408956	387219260
Votes cast against the Resolution	19627	8264	27891
Number of invalid Postal Ballots	53	0	53
Number of invalid votes	22247	0	22247

- 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 thereof and requesting them to send their assent or dissent in writing on a postal ballot because postal ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice. Your Company has followed the aforesaid procedure stipulated in the Companies Act, 2013 and has carried out Postal Ballot for the item mentioned above.

As on the date of this report, your Company doesn't propose to pass any Special Resolution for the time being by way of Postal Ballot.

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, 2016.

(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

10. DISCLOSURES**(a) Related Party Transactions**

In Compliance with Section 188 of the Companies Act, 2013, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rules as applicable, the Company has framed a Policy on Related Party Transactions including policy on materiality of related party transactions. The policy is to

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 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

In terms with the provisions of Regulation 39 (4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (earlier clause 5A.II of the listing agreement with the stock exchanges) the unclaimed/undelivered shares lying in the possession of the Company are required to be dematerialised and transferred into a "Unclaimed Suspense Account" held by the Company. The status of unclaimed shares lying in "Unclaimed Suspense Account" as on March 31, 2016 are as under :-

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, i.e. April 1, 2015	2072	1433480
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year	23	18800
Number of shareholders to whom shares were transferred from suspense account during the year	23	18800
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e. March 31, 2016	2049	1414680

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 Regulation 34 (3) read with Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

2015, an extract of the detailed format of Quarterly/ Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in the News Papers from the quarter ended December 31, 2015 . The full format of the Quarterly/ Annual Financial Results are also available on the Company's website and Stock Exchange websites www.nsesindia.com and www.bseindia.com.

11. MEANS OF COMMUNICATION

The quarterly/half yearly and annual financial results of the Company are normally published in Business Standard/Financial Express (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.

As per Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

The transcript of the Analyst/Investor Conference Call is posted on the website of the company.

12. GENERAL SHAREHOLDER INFORMATION

a) Registered Office

3rd Floor,
Areekal Mansion,
Near Manorama Junction,
Panampilly Nagar,
Kochi- 682036, Kerala
Ph:-91 484 4012046, 4012047
Fax:- 91 484 4012048

b) Annual General Meeting:

- Date	: August 9, 2016
- Day	: Tuesday
- Time	: 10:00 AM
- Venue	: Kerala Fine Arts Theatre Fine Arts Avenue Foreshore Road Ernakulam, Kochi (Kerala)
- Posting of Annual Report	: On or before July 16, 2016.
- Last date of receipt of Proxy form	: August 7, 2016 before 10:00 AM

c) Financial Calendar for FY16

Financial Reporting for the quarter ending June 30, 2016: On or before August 14, 2016.

Financial Reporting for the quarter ending September 30, 2016: On or before November 14, 2016.

Financial Reporting for the quarter ending December 31, 2016: On or before February 14, 2017.

Financial Reporting for the quarter/year ending March 31, 2017: On or before May 30, 2017.

d) Dates of Book-Closure

The dates of the book closure shall be from August 3, 2016 to August 9, 2016 (both days inclusive).

e) Dividend Payment

The dividend of ₹ 2 per equity share for the FY16, subject to approval from shareholders, has been recommended by the Board of Directors. The same shall be paid on or after August 9, 2016 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, 2009 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 ₹ 56.51 Lac lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2007-08 to the said Fund on September 15, 2015.

g) Listing at Stock Exchanges

1	National Stock Exchange of India Ltd	2.	BSE Ltd
	Exchange Plaza, Bandra Kurla Complex		Phiroje Jeejeebhoy Towers
	Bandra (E), Mumbai-400 051		1st Floor, Dalal Street
	T: +91 22 26598100-14		Mumbai 400001
	F: +91 22 26598237-38		T: +91 22 22721233/34
	E: cmlist@nse.co.in		F: +91 22 22721919/3027
			E: corp.relations@bseindia.com

The annual listing fee for FY17 has been paid to all the aforesaid stock exchanges.

h) Stock Code

BSE Ltd	500877
National Stock Exchange of India Ltd	APOLLOTYRE

i) Stock Market Price Data for the year 2015-16: The Company's share price on NSE and Nifty Index

Month	NSE			NIFTY INDEX	
	High (₹)	Low (₹)	Volume (in million)	High	Low
April, 2015	194.00	165.70	54.29	8844.88	8144.75
May, 2015	191.40	162.00	51.96	8489.55	7997.15
June, 2015	192.55	155.90	54.66	8467.15	7940.30
July, 2015	209.95	166.40	58.28	8654.75	8315.40
August, 2015	223.40	165.60	83.50	8621.55	7667.25
September, 2015	197.50	162.90	44.83	8055.00	7539.50
October, 2015	198.50	168.20	36.64	8336.30	7930.65
November, 2015	172.60	151.25	45.01	8116.10	7714.15
December, 2015	166.80	145.15	35.60	7979.30	7551.05
January, 2016	161.90	127.05	48.31	7972.55	7250.00
February, 2016	166.40	133.45	80.80	7600.45	6959.95
March, 2016	181.50	157.05	51.39	7777.60	7035.10

The Company's share price on BSE and Sensex

Month	BSE		Volume (in million)	SENSEX	
	High (₹)	Low (₹)		High	Low
April, 2015	193.80	165.70	5.48	29,094.61	26,897.54
May, 2015	191.00	162.05	5.56	28,071.16	26,423.99
June, 2015	192.40	156.40	5.80	27,968.75	26,307.07
July, 2015	209.90	165.15	6.49	28,578.33	27,416.39
August, 2015	223.30	166.00	10.80	28,417.59	25,298.42
September, 2015	197.60	163.00	4.65	26,471.82	24,833.54
October, 2015	198.70	168.40	3.56	27,618.14	26,168.71
November, 2015	172.70	151.10	6.34	26,824.30	25,451.42
December, 2015	166.80	145.10	4.27	26,256.42	24,867.73
January, 2016	162.00	127.95	3.72	26,197.27	23,839.76
February, 2016	166.30	133.80	6.21	25,002.32	22,494.61
March, 2016	181.65	157.50	3.75	25,479.62	23,133.18

j) Shares Traded during April 1, 2015 to March 31, 2016

Particulars	BSE	NSE
No. of shares traded (in million)	66.63	645.27
Highest Share Price (in ₹)	223.30	223.40
Lowest Share Price (in ₹)	127.95	127.05
Closing Share Price (as on March 31, 2016)	175.00	174.90
Market Capitalization (as on March 31, 2016) (in million)	89079	89028

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 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 Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the half yearly certificates from the Company secretary in practice for due compliance of share transfer formalities.

m) Distribution of Shareholding

The following is the distribution of shareholding of equity shares of the Company as on March 31, 2016:-

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
UPTO 5000	132076	99.24	34411805	6.76
5001 - 10000	432	0.32	3225875	0.63
10001 - 20000	184	0.14	2675284	0.52
20001 - 30000	60	0.05	1502423	0.30
30001 - 40000	40	0.03	1424999	0.28
40001 - 50000	19	0.01	867306	0.17

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
50001 - 100000	65	0.05	4760838	0.94
100001 AND ABOVE	215	0.16	460156240	90.40
Total	130923	100.00	509024770	100.00

The Promoter and Promoter group hold 224.72 million shares constituting 44.15% of the share capital of the Company as on March 31, 2016.

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, 2016, 97.82% of the share capital stands dematerialised. BSE and NSE have permitted trading of Apollo Tyres' share into future and option (F&O) segment w.e.f. February 19, 2010.

p) Share Transfer/Demat Registry work

All 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 decisions pursuant to provisions of Section 108 of Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended, the Company has provided e-voting facility to its shareholders, in respect of all shareholder's resolutions to be passed at general meeting.

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:

1. Perambra, P O Chalakudy Trichur 680689, Kerala
2. Limda, Taluka Waghodia Dist. Vadodara 391760, Gujarat
3. 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, 2016, there were no outstanding GDRs/ADRs/Warrants or any convertible instruments.

- w) Adoption of mandatory and discretionary requirements of Corporate Governance as specified in Regulations 17 to 27 and Regulation 34 (3) read with Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has complied with all mandatory requirements of corporate governance with respect to regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following discretionary requirement of Regulation 27 read with Schedule II Part E of the Listing Regulations:-

Modified Opinion(s) in audit report

The Company is in the regime of financial statements with unmodified audit opinion.

Reporting of internal auditor

The internal auditor is reporting directly to the audit committee.

- x)** As on March 31, 2016, our shares were not suspended from trading.
- y)** There were no commodity price risk or foreign exchange risk and hedging activities during the FY16

13. ADDITIONAL INFORMATION

a) Investor Relations Section

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

Contact person : Mrs 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

Axis Bank Ltd
Bank of India
BNP Paribas
Canara Bank
DBS Bank Ltd
HSBC Ltd
ICICI Bank Ltd
IDBI Bank Ltd
Kotak Mahindra Bank Ltd
Standard Chartered Bank
State Bank of India
State Bank of Mysore
State Bank Of Travancore
Union Bank of India

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, 2015
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: September 26, 2015

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

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

g) Whistle Blower Policy/ Vigil Mechanism

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

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 Disclosure

The Board at its meeting held on May 12, 2015 has approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from May 15, 2015.

The Code lays down broad standards of compliance and ethics, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations. The Code is required to be complied in respect of all corporate disclosures in respect of the Company and/or its subsidiary companies, including overseas subsidiaries.

The Company Secretary of the Company is the compliance officer.

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 & Regulation 16 (1) (b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

During FY16, the Company received declaration in terms of the provisions of Section 149(6)

& 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (formerly Clause 49(i)(A)(iii) and 49(i) (C) of Listing Agreement) from the following independent Directors viz. Mr A. K. Purwar, Mr Akshay Chudasama, Mr Nimesh N. Kampani, Mrs Pallavi Shroff, 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/en-in/other-information
Policy for determining 'material' subsidiaries	http://www.apollotyres.com/en-in/corporate-governance
Policy on dealing with related party transactions	http://www.apollotyres.com/en-in/corporate-governance
CSR policy	http://www.apollotyres.com/en-in/corporate-governance
Code of conduct for Directors and Senior Management	http://www.apollotyres.com/en-in/corporate-governance
Whistle Blower Policy/Vigil Mechanism	http://www.apollotyres.com/en-in/corporate-governance
Policy for preservation and archival of documents	http://www.apollotyres.com/en-in/corporate-governance
Policy on determination of materiality of events or information	http://www.apollotyres.com/en-in/corporate-governance
Code of Practices and Procedures for Fair Disclosure of UPSI	http://www.apollotyres.com/en-in/corporate-governance

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, 2016.

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 FY16.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 11, 2016

(NEERAJ KANWAR)
Vice-Chairman & Managing Director

(SUNAM SARKAR)
Director

COMPLIANCE:

The certificate dated May 11, 2016 obtained from statutory auditors, M/s Deloitte Haskins & Sells, Chennai forms part of this annual report and the same is given below:

Independent Auditor's Certificate to the Members of Apollo Tyres Ltd

1. We have examined the compliance of conditions of Corporate Governance by **Apollo Tyres Ltd** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016, and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 008072S)

M.K. ANANTHANARAYANAN

Partner

(Membership No. 19521)

Place : Chennai,
Date : May 11, 2016

CEO and CFO Certificate

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2016 and that to the best of our knowledge and belief:
 - i these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii these statements including cash flow statement present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.
- d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud found by management or employees having a significant role in the company's internal control system over financial reporting.

For Apollo Tyres Ltd

Place: Gurgaon
Date: May 11, 2016

(ONKAR S KANWAR)
Chairman & Managing Director

(GAURAV KUMAR)
Chief Financial Officer





Standalone Financials
Consolidated Financials

112
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Independent Auditors' Report

To
The Members of Apollo Tyres Ltd

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Apollo Tyres Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and 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

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 prescribed under Section 133 of the Act, as applicable.

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

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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. 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

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, 2016, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 ₹ 4.36 Million (Previous Year ₹ 3.60 Million) which has not been transferred as per the orders/instructions of the Special Court (Trial of Offences relating to Transactions in Securities), Mumbai.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

M.K. ANANTHANARAYANAN
Partner
(Membership No. 19521)

Place: Chennai
Date: May 11, 2016

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Apollo Tyres Ltd (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all

material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 008072S)

M.K. ANANTHANARAYANAN

Partner

(Membership No. 19521)

Place: Chennai

Date: May 11, 2016

Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (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.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date, except in the case of a land measuring to 124,150 square feet, carrying a cost of ₹ 10.69 Million, acquired by the Company, which is in the name of the vendor and the Company is in the process of getting the title deeds transferred to its name. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 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, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Millions)	Amount Unpaid (₹ 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	133.19	90.52
Central Excise Act, 1944	Excise Duty and Additional Excise Duty	Various Appellate Authorities / High Court	1994-95 to 2009-10	988.59	981.46
Income Tax Act, 1961	Income tax	Various Appellate Authorities / High Court	1987-88 to 2012-13	834.56	609.46

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

- (ix) 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. The Company has not raised moneys by way of initial public offer or further public offer.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the

Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

M.K. ANANTHANARAYANAN
Partner
Place: Chennai
Date: May 11, 2016
(Membership No. 19521)

Balance Sheet

As at March 31, 2016

₹ Million

	Notes	As at March 31, 2016	As at March 31, 2015
A. EQUITY & LIABILITIES			
1. Shareholders' Funds :			
(a) Share Capital	B1	509.02	509.09
(b) Reserves and Surplus	B2	39,455.04	32,197.76
		39,964.06	32,706.85
2. Non-current Liabilities :			
(a) Long-term borrowings	B3	2,125.87	3,339.39
(b) Deferred tax liabilities (Net)	C 16	4,496.24	4,122.42
(c) Other long term liabilities	B3	76.66	69.14
(d) Long-term provisions	B3	69.55	78.43
		6,768.32	7,609.38
3. Current Liabilities :	B4		
(a) Short-term borrowings		3,737.18	4,626.60
(b) Dues to Micro Enterprises & Small Enterprises		36.98	31.02
(c) Other Trade payables		9,080.29	6,598.00
(d) Other current liabilities		3,792.45	5,609.71
(e) Short-term provisions		5,360.52	4,032.50
		22,007.42	20,897.83
Total		68,739.80	61,214.06
B. ASSETS			
1. Non-Current Assets :			
(a) Fixed Assets	B5		
(i) Tangible assets		30,883.83	30,965.27
(ii) Intangible assets		129.26	105.15
(iii) Capital work-in-progress		3,868.66	1,296.48
		34,881.75	32,366.90
(b) Non-current investments	B6	6,721.14	6,519.19
(c) Long-term loans and advances	B7	3,633.01	1,780.28
(d) Other non-current assets	B8	-	360.18
		45,235.90	41,026.55
2. Current Assets:			
(a) Current investments	B9	1,216.35	1,000.00
(b) Inventories	B10	10,228.95	11,851.86
(c) Trade receivables	B10	2,927.56	3,200.10
(d) Cash & cash equivalents	B10	2,893.81	2,078.40
(e) Short term loans and advances	B11	5,625.21	1,681.19
(f) Other current assets	B12	612.02	375.96
		23,503.90	20,187.51
Total		68,739.80	61,214.06

See accompanying notes forming part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

NEERAJ KANWAR
Vice Chairman &
Managing Director

For and on behalf of the Board of Directors

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

M K ANANTHANARAYANAN
Partner

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

Statement of Profit & Loss

For the year ended March 31, 2016

₹ Million

	Notes	Year Ended March 31, 2016	Year Ended March 31, 2015
1. Revenue from operations:			
Gross sales	C 11 (A)	96,193.86	98,772.72
Less : Excise duty		10,029.73	9,990.04
Net sales		86,164.13	88,782.68
Other operating income	B13	852.28	890.63
		87,016.41	89,673.31
2. Other income	B14	536.44	375.46
3. Total revenue (1 + 2)		87,552.85	90,048.77
4. Expenses :			
(a) Cost of materials consumed	B15	46,411.33	54,302.28
(b) Purchase of stock-in-trade	B15	2,244.04	2,492.19
(c) Changes in inventories of finished goods, work-in progress & stock-in-trade	B16	1,266.22	197.29
(d) Employee benefits expense	B15	5,664.88	5,451.32
(e) Finance costs	B17	883.31	1,720.88
(f) Depreciation & amortization expense	B5	2,686.09	2,467.80
(g) Other expenses	B15	15,822.48	14,075.59
Total expenses		74,978.35	80,707.35
5. Profit before tax (3 - 4)		12,574.50	9,341.42
6. Tax expense:			
(a) Current tax		3,653.77	2,544.70
(b) Deferred tax		396.10	345.91
Total		4,049.87	2,890.61
7. Profit for the year (5 - 6)		8,524.63	6,450.81
Earnings per Share of ₹ 1 each :	C 26		
(a) Basic		16.75	12.70
(b) Diluted		16.75	12.69

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

NEERAJ KANWAR

Vice Chairman &
Managing Director

For and on behalf of the Board of Directors

SUNAM SARKAR AKSHAY CHUDASAMA

Director Director

M K ANANTHANARAYANAN

Partner

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary

Gurgaon

May 11, 2016

Cash-Flow Statement

For the year ended March 31, 2016

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Net Profit Before Tax	12,574.50	9,341.42
Add: Adjustments for:		
Depreciation and Amortization Expenses	2,686.09	2,467.80
Loss on Sale of Tangible Fixed Assets (Net)	22.57	26.24
(Profit) on Sale of Investments	(0.25)	-
Dividend from Long Term & Current Investments	(162.77)	(26.30)
Diminution in value of Investment	1.31	-
Provision for Constructive Liability	(7.79)	7.50
Provision for Compensated Absences	20.44	37.83
Liabilities / provisions no longer required written back	(3.24)	(20.00)
Finance Cost	883.31	1,720.88
Interest Income	(154.25)	(57.19)
Provision for estimated loss on derivatives	(15.99)	82.64
Unrealized (Gain) / Loss on Foreign Exchange Fluctuations	(26.57)	18.05
	3,242.86	4,257.45
(ii) Operating Profit Before Working Capital Changes	15,817.36	13,598.87
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1,622.91	985.06
Trade Receivables	270.35	(763.20)
Short-term loans and advances	(144.02)	314.48
Long-term loans and advances	(57.68)	(260.61)
Other Non-Current Assets	360.18	(146.04)
Other Current Assets	(161.21)	-
	1,890.53	129.69
Adjustments for increase / (decrease) in operating liabilities:		
Dues to Micro Enterprises & Small Enterprises	5.96	2.23
Other Trade Payables	2,499.46	(2,394.14)
Other Current Liabilities	36.18	99.08
Other Long-term Liabilities & provisions	7.52	17.84
Short-term Provisions	392.20	161.68
	2,941.32	(2,113.31)
(iii) Cash Generated from Operations	20,649.21	11,615.25
Less: Direct Taxes Paid (Net of Refund)	2,723.49	1,997.96
Net Cash From Operating Activities	17,925.72	9,617.29
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,935.03)	(2,826.52)
Proceeds from Sale of Fixed Assets	57.08	64.18
Investments in Mutual Funds	(216.35)	(1,000.00)
Long Term Investment made	(203.85)	(4.05)
Proceeds from sale of Long Term Investment	0.84	-
Long Term Fixed Term Deposits With Banks Taken / Matured	41.00	15.86
Fixed Deposits with Financial Institution placed / matured	(3,800.00)	-
Dividends received from Long Term & Current Investments	162.77	26.30
Interest Received	79.40	57.28
Net Cash Used in Investing Activities	(10,814.14)	(3,666.95)

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
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	(3,187.70)	(6,987.27)
Short Term Borrowings (net of repayments)	(874.87)	2,820.01
Payment of Dividends (including Dividend Tax)	(1,225.30)	(446.65)
Finance Charges Paid	(973.72)	(1,805.42)
Net Cash Used in Financing Activities	(6,261.59)	(6,070.58)
Net Increase in Cash & Cash Equivalents	849.98	(120.24)
Cash & Cash Equivalents as at Beginning of the year	2,078.40	2,211.10
Less: Bank Deposits with Original Maturity over Three Months	39.94	55.80
Less: Unclaimed Deposits Accounts	1.07	1.07
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 Beginning of the year	2,001.42	2,121.66
Cash & Cash Equivalents as at the end of the year	2,893.81	2,078.40
Less: Bank Deposits with Original Maturity over Three Months	0.01	39.94
Less: Unclaimed Deposits Accounts	-	1.07
Less: Unpaid Dividends Bank Accounts	42.05	35.91
	2,851.75	2,001.48
Gain on Reinstatement of Foreign Currency Cash & Cash Equivalents	(0.34)	(0.06)
Adjusted Cash & Cash Equivalents as at the end of the year	2,851.41	2,001.42

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

NEERAJ KANWAR

Vice Chairman &
Managing Director

For and on behalf of the Board of Directors

SUNAM SARKAR
Director

AKSHAY CHUDASAMA
Director

M K ANANTHANARAYANAN
Partner

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary

Gurgaon
May 11, 2016

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, Africa 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.

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 their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

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 on accrual basis based on the terms and conditions of the royalty agreement.

2.9 Fixed Assets (Tangible / Intangible)

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.

Intangible Fixed 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.

2.10 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 carried individually at lower of cost and fair value.

2.13 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, 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, superannuation fund & employee state insurance scheme 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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

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 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 Fixed Assets.

2.21 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.

2.22 Provisions and Contingencies

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.

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 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

	₹ Million	
	As at March 31, 2016	As at March 31, 2015
(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
	750.00	750.00
(b) Issued, Subscribed, Called and Fully Paid Up		
Equity Shares of ₹ 1 each:		
509,024,770 (509,024,770) Equity Shares	509.02	509.02
Add: Forfeited Shares: Nil (13,565 Nos.)#	-	0.07
	509.02	509.09

13,565 Shares which were forfeited in prior years of ₹ 0.07 Million have now been transferred to Capital Reserve.

(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, 2016		As at March 31, 2015	
	Number of Shares	Amount in ₹ Million	Number of Shares	Amount in ₹ Million
Opening Balance	509,024,770	509.02	504,024,770	504.02
Add: Shares allotted on conversion of Share Warrants	-	-	5,000,000	5.00
Closing Balance	509,024,770	509.02	509,024,770	509.02

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

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	%	Number of Shares	%
Neeraj Consultants Ltd	42,508,142	8.35%	42,508,142	8.35%
Apollo Finance Ltd	36,759,650	7.22%	36,759,650	7.22%
Sunrays Properties & Investment Co. Pvt Ltd	35,725,648	7.02%	35,725,648	7.02%
Constructive Finance Pvt Ltd	29,630,857	5.82%	29,630,857	5.82%

(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.

B 2 RESERVES AND SURPLUS

₹ Million

	As at March 31, 2016	As at March 31, 2015
(a) Capital Subsidy - Note C 5	25.50	25.50
(b) Capital Redemption Reserve	44.40	44.40
(c) Capital Reserve		
Forefeited Shares	0.07	-
Transfer from Share Forefeiture - ₹ 1,375/-	-	-
	0.07	-
(d) Securities Premium Account		
As per last Balance Sheet	6,085.71	5,659.71
Add: Received during the year	-	426.00
	6,085.71	6,085.71
(e) Debenture Redemption Reserve		
As per last Balance Sheet	958.33	1,658.33
Add: Transfer from Surplus in Statement of Profit & Loss	125.00	300.00
Less: Utilised during the year	708.33	1,000.00
	375.00	958.33
(f) Revaluation Reserve	31.22	31.22
(f) Share Forfeiture Nil (₹ 1375/-)	-	-
(g) General Reserve		
As per last Balance Sheet	10,006.63	9,006.63
Add: Transfer from Surplus in Statement of Profit & Loss	1,000.00	1,000.00
	11,006.63	10,006.63
(h) Surplus in Statement of Profit & Loss		
As per last Balance Sheet	15,045.97	10,383.03
Add: Transfer from Debenture Redemption Reserve	708.33	1,000.00
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)	-	258.18
Less: Depreciation on componentisation of Fixed Assets as per the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax of ₹ 22.28 Million) - Note C8	42.12	-
Add: Net Profit for the year	8,524.63	6,450.81
Balance available for Appropriation	24,236.81	17,575.66
Less: Appropriations made during the year:		
General Reserve	1,000.00	1,000.00
Debenture Redemption Reserve	125.00	300.00
Proposed Dividend	1,018.05	1,018.05
Dividend Tax	207.25	207.25
Dividend for previous year	-	3.75
Dividend Tax on dividend for previous year	-	0.64
	2,350.30	2,529.69
Closing Balance	21,886.51	15,045.97
Total Reserves and Surplus	39,455.04	32,197.76

B 3 NON - CURRENT LIABILITIES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Long-Term Borrowings		
Secured * :		
(i) Debentures		
1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	1,000.00
(ii) Term Loans		
From Banks:		
External Commercial borrowings (ECB)	411.19	1,147.55
From Others:		
International Finance Corporation - Loan A	451.37	677.06
International Finance Corporation - Loan B	199.57	399.14
	650.94	1,076.20
(iii) Finance Lease - Deferred Payment Liabilities: Note C 24		
Deferred Payment Credit I	56.10	107.49
Deferred Payment Credit II	7.64	8.15
	63.74	115.64
	2,125.87	3,339.39
Other Long-Term Liabilities:		
Security Deposits Received from Dealers	26.17	14.53
Security Deposits Received from Employees	50.49	54.61
	76.66	69.14
Long-Term Provisions:		
Provision for Constructive Liability - Note C 17 (c)	69.55	78.43
	69.55	78.43

* 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, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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 10-11-17	Refer Note A2 & B1 below
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	10.15%	Bullet Repayment on 16-04-15	
	1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	416.67	11.50%	Repayment in 3 equal installments of ₹ 416.67 Million on 02-02-14, 02-02-15 & 02-02-16 respectively.	Refer Note A2 & B1 below
Total Debentures		1,000.00	-	1,000.00	1,416.67			

External Commercial Borrowings From Banks:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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			
Bank 1	ECB II	-	56.12	56.13	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 III	-	-	134.85	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	
	ECB I	-	-	-	231.10	7-8%	Repayment in 4 equal annual installments of USD 5 Million started from 03-08-12	
Bank 3	ECB II	-	139.19	139.19	139.19	9-10%	Repayment in 4 equal annual installments of USD 3.125 Million started from 16-07-13	Refer Note A1 & B2 below
	ECB I	100.02	99.99	200.01	99.99	7-8%	Repayment in 3 equal annual installments in USD equivalent to ₹ 100 Million starting from 29-09-15	Refer Note A1 & B1 below
Bank 4	ECB II	144.16	144.11	288.27	144.11	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	167.01	162.10	329.10	162.10	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		411.19	601.51	1,147.55	1,158.44			

Term Loans From Others:

IFC	Loan A	451.37	225.69	677.06	225.69	9-10%	Repayment in 12 half-yearly installments of USD 2.50 Million each started from 17-06-13	Refer Note A1 & B2 below
	Loan B	199.57	199.57	399.14	199.57	9-10%	Repayment in 9 half-yearly installments of USD 2.22 Million each started from 16-12-13	Refer Note A1 & B2 below
Total Term Loans from Others		650.94	425.26	1,076.20	425.26			

Deferred Payment Credit:

	Deferred Payment Credit I	56.10	51.39	107.49	47.84	7-8%	Repayment along with Interest in 240 consecutive monthly installments started from 15-05-07	Wind Mills purchased under the scheme.
Others	Deferred Payment Credit II	7.64	4.14	8.15	8.28	8-9%	Repayment along with Interest in 20 equal quarterly installments started from April, 2010	Engineering materials purchased under the scheme
Total Deferred Payment Credit		63.74	55.53	115.64	56.12			

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

		₹ Million	
		As at March 31, 2016	As at March 31, 2015
(a) Short Term Borrowings			
Loans repayable on demand from bank:			
Secured*			
Packing Credit		319.51	362.40
Cash Credit		2.55	1.16
Unsecured			
Packing Credit		3,415.12	4,263.04
		3,737.18	4,626.60
(b) Dues to Micro Enterprises & Small Enterprises (Note C 6)			
Accounts Payable - Raw Materials & Services		29.77	23.81
Accounts Payable on purchase of fixed assets		7.21	7.21
		36.98	31.02
(c) Other Trade Payables			
Acceptances		581.56	187.79
Accounts Payable - Raw Materials & Services		4,785.49	3,607.14
Freight, Port Charges, CHA Charges Payable		675.48	664.56
Expenses Payable		282.10	299.03
Employee Related Payables **		1,136.59	1,002.35
Payable to Related Parties (Note C 21)		1,619.07	837.13
		9,080.29	6,598.00
(d) Other Current Liabilities			
Current Maturities of Long-Term Debt***			
Secured			
1 Debentures			
1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each		-	416.67
1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each		-	1,000.00
		-	1,416.67
2 Term Loan from Banks			
External Commercial borrowings (ECB)		601.51	1,158.44
3 Term Loan from Others			
International Finance Corporation - Loan A		225.69	225.69
International Finance Corporation - Loan B		199.57	199.57
		425.26	425.26
4 Finance Lease - Deferred Payment Liabilities: Note C 24			
Deferred Payment Credit I		51.39	47.84
Deferred Payment Credit II		4.14	8.28
		55.53	56.12
		1,082.30	3,056.49

* Cash Credits 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 ₹ 685 Million (₹ 490 Million)

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

	₹ Million			
	As at March 31, 2016		As at March 31, 2015	
Other Current Liabilities (Continued):				
Interest accrued but not due on borrowings		54.53		144.94
Unclaimed Dividends *		42.05		35.91
Interest payable to Micro Enterprises & Small Enterprises (Note C 6)		10.58		10.58
Other payables				
Accounts Payable on purchase of fixed assets	518.33		313.31	
Excise Duty on closing stock	236.51		288.15	
Statutory remittances (Contribution to PF & ESIC, VAT, CST, Custom Duty, Service tax and others)	936.90		851.14	
Export Obligations - Advance Licence Benefit	-		7.67	
Payable to Related Parties (Note C 21)	26.30		47.53	
Security Deposits - Vendors	247.42		287.85	
Security Deposits - Dealers / Employees	74.78		65.02	
Advances Received from Customers	481.53		302.79	
Others	0.08	2,521.85	0.08	2,163.54
Gratuity Payable - Note C 14		81.14		198.25
		2,710.15		2,553.22
		3,792.45		5,609.71
(e) Short-Term Provisions:				
Provision for Constructive Liability - Note C 17 (c)		31.00		29.91
Provision for Compensated Absences		241.10		220.66
Provision for Contingencies - Note C 17 (b)		425.00		425.00
Provision for Estimated Loss on Forward Foreign Exchange Contracts (Note C 19)		134.50		150.49
Proposed Dividend on Equity Shares		1,018.05		1,018.05
Dividend Tax		207.25		207.25
Provision for Taxation	14,271.94		11,068.30	
Less: MAT Credit Adjusted		-	450.13	
Less: Advance Tax	13,036.90	1,235.04	10,313.41	304.76
Provision for Wealth Tax		7.00		7.00
Provision for Sales related obligations - Note C 17 (a)		2,061.58		1,669.38
		5,360.52		4,032.50

* Includes ₹ 4.36 Million (₹ 3.60 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, 2016

Description of Assets		GROSS BLOCK		DEPRECIATION / AMORTIZATION			NET BLOCK		₹ Million	
		As at March 31, 2015	Additions	Deductions	As at March 31, 2016	As at March 31, 2015	Additions	Transition adjustment Recorded against Surplus in Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
A. Tangible Assets - Owned unless otherwise stated										
Land:										
Freehold Land		175.14	-	-	175.14	-	-	-	175.14	175.14
Leasehold Land *		172.19	17.45	-	189.64	14.30	1.97	-	16.27	173.37
							(a)			157.89
Buildings - Own use		7,951.10	349.21	-	8,300.31	1,921.50	349.03	-	2,270.53	6,029.60
			(b)							(d)
Plant & Machinery **		37,330.15	2,033.50	83.28	39,280.37	14,400.98	1,901.52	64.41	16,308.24	22,972.13
			(b)					58.67	22,972.13	22,929.17
Electrical Installation		1,468.67	80.34	3.21	1,545.80	654.92	151.69	-	806.37	739.43
			(b)					0.24		813.75
Furniture & Fixtures		1,208.59	94.16	11.91	1,290.84	740.63	133.43	-	863.75	427.09
			(b)					10.31	427.09	467.96
Office Equipments		42.07	9.77	2.53	49.31	22.11	8.45	-	28.90	20.41
								1.66		19.96
Vehicles		546.70	135.71	105.68	576.73	174.90	111.43	-	56.08	230.25
Total Tangible Assets		48,894.61	2,720.14	206.61	51,408.14	17,929.34	2,657.52	64.41	126.96	20,524.31
									30,883.83	30,965.27
B. Intangible Assets:										
Computer Software		349.92	52.68	-	402.60	244.77	28.57	-	273.34	129.26
			(b)							105.15
Total Fixed Assets		49,244.53	2,772.82	206.61	51,810.74	18,174.11	2,686.09	64.41	126.96	20,797.65
			(c)						31,013.09	31,070.42

B 5 FIXED ASSETS

As at March 31, 2015

Description of Assets	GROSS BLOCK		DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at March 31, 2015	Additions	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
A. Tangible Assets - Owned unless otherwise stated							
LAND:							
Freehold Land	175.14	-	-	-	-	175.14	175.14
Leasehold Land *	172.19	-	-	172.19	1.94	157.89	159.83
				(a)			
Buildings - Own use	7,851.85	132.60	33.35	7,951.10	1,318.42	6,029.60	6,533.43
		(b)				(d)	
Plant & Machinery **	36,332.40	1,081.50	83.75	37,330.15	12,800.37	22,929.17	23,532.03
		(b)	(c)				
Electrical Installation	1,419.05	49.62	-	1,468.67	443.97	813.75	975.08
		(b)					
Furniture & Fixtures	1,194.41	41.68	27.50	1,208.59	543.30	467.96	651.11
		(b)					
Office Equipments	38.85	3.28	0.06	42.07	15.04	19.96	23.81
Vehicles	469.13	158.34	80.77	546.70	97.95	371.80	371.18
Total Tangible Assets	47,653.02	1,467.02	225.43	48,894.61	15,231.41	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	31,070.42	32,535.82
		(c)					

* Leasehold Land is Net of ₹ 5.39 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 Jointly Owned Assets with a Gross Book Value of ₹ 311.28 Million (₹ 254.87 Million) and a Net Book Value of ₹ 275.76 Million (₹ 231.21 Million) which represents 50% ownership in the asset.

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 ₹ 216.83 Million (₹ 233.61 Million).

(a) Represents proportionate lease premium ₹ 1.97 Million (₹ 1.94 Million) amortized.

(b) Buildings include ₹ 174.33 Million (₹ 90.26 Million), Plant & Machinery includes ₹ 114.89 Million (₹ 66.43 Million), Electrical Installations include ₹ 30.48 Million (₹ 2.79 Million), Furniture & Fixtures include ₹ 41.30 Million (₹ 8.03 Million) & Intangible Assets include ₹ 9.04 Million (Nil) relating to Research & Development (Note C 10).

(c) Includes directly attributable expenses capitalized to the extent of ₹ 35.03 Million (₹ 27.66 Million). (Note C 13).

(d) Buildings include Buildings constructed on Leasehold Land with a Gross Book Value of ₹ 6,974.19 Million (₹ 6,782.11 Million) and a Net Book Value of ₹ 5,076.62 Million (₹ 5,213.50 Million).

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

(f) Capital Work-in-Progress includes land of ₹ 10.69 Million (₹ 10.69 Million) where the title deeds are in the process of being registered in the name of the Company.

B 6 NON CURRENT INVESTMENTS (AT COST)

₹ Million

	As at March 31, 2016	As at March 31, 2015
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:		
128,906,207 (125,906,207) Equity shares of USD 1 each in Apollo (Mauritius) Holdings Pvt Ltd. - wholly owned subsidiary - Fully paid up	6,709.14	6,507.97
50,001 Equity shares of EUR 0.72 each in Apollo Tyres (Green Field) B.V. - Fully paid up #	2.74	-
Other Companies:		
312,000 (312,000) Equity Shares of ₹ 10 each in Green Infra Wind Power Projects Fully paid up.	3.12	3.12
Nil (5,500) Equity Shares of ₹ 10 each in Suryadev Alloys And Power Pvt Ltd. Fully paid up.	-	0.59
620,000 (Nil) Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Pvt. Ltd. Fully paid up.	0.12	-
207,000 (Nil) Equity Shares of ₹ 10 each in NSL Wind Power Company Fully paid up.	2.07	-
12,500 (Nil) Equity Shares of ₹ 10 each in Trishul Electric & Powergen Co. Fully paid up.	0.12	-
(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)	2.97	2.60
(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
	6,721.14	6,519.19
* Aggregate amount of quoted Investments	0.36	0.36
Aggregate market value of listed and quoted investments	1.05	1.19
Aggregate amount of unquoted Investments	6,720.78	6,518.83
** No. of units at the beginning of the year - 179,562 (161,826)	2.60	2.10
Add: Reinvestment of dividend during the year - 13,462 (17,736)	0.37	0.50
No. of units at the end of the year - 193,024 (179,562)	2.97	2.60
*** Repurchase price of units	5.11	5.23

During the year, Apollo Tyres (Greenfield) Co-operatief U.A. (ATGC) has been converted to Apollo Tyres (Greenfield) B.V. (ATGBV), a private company with limited liability. On conversion, fully paid shares of EUR 0.72 each are issued to the members of ATGC and difference between the investment in ATGC & the value of shares allotted in ATGBV has been charged to Statement of Profit & Loss. Subsequent to purchase of one share from Apollo Tyres (Cyprus) Pvt. Ltd., Apollo Tyres (Greenfield) B.V. has become a direct wholly owned subsidiary of the company.

B 7 LONG TERM LOANS & ADVANCES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Long-Term Loans & Advances:		
Unsecured, Considered Good		
Capital Advances - Others	2,427.49	628.21
Capital Advances to Related Parties (Note C 21)	75.37	79.60
Doubtful Capital Advances	134.18	134.18
	2,637.04	841.99
Less: Provision for Doubtful Advances	134.18	134.18
	2,502.86	707.81
Security Deposits	596.75	636.84
Security Deposits to Related Parties (Note C 21)	518.01	418.01
Employee Advances - Salary Loan	12.81	15.05
Other Loans and Advances - Excise Duty Recoverable	2.58	2.57
	3,633.01	1,780.28
Includes Advances given to Related Parties:		
Firms/Private Companies in which any director is a director or member :		
Sunlife Trade Links Pvt. Ltd.	5.86	5.86
Landmark Farms & Housing Pvt. Ltd.	6.00	6.00
Regent Properties	5.40	5.40
Milers Global Pvt. Ltd.	0.75	0.75
	18.01	18.01
B 8 Other Non-Current Assets		
Investment promotion Subsidy Receivable from Government of Tamil Nadu	-	360.18
	-	360.18
B 9 Current Investments		
Non Trade Investments		
(At lower of cost and fair value)		
Investment in Mutual Funds *	1,216.35	1,000.00
	1,216.35	1,000.00

* FY 2015-16	No. of Units	Value (₹ Million)	NAV
SBI	78,005	200.00	2563.9376
Reliance	59,449,817	1,016.35	17.0959
	59,527,822	1,216.35	

FY 2014-15	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

₹ Million

	As at March 31, 2016	As at March 31, 2015
(a) Inventories:		
(At lower of cost and net realizable value)		
(i) Raw Materials:		
In Hand	2,527.88	2,942.90
In Transit	252.96	94.76
	2,780.84	3,037.66
(ii) Work-in-Progress #	695.72	588.67
(iii) Finished Goods:		
In Hand	4,807.31	6,078.18
In Transit	886.05	1,129.80
	5,693.36	7,207.98
(iv) Stock-in-Trade:		
In Hand	161.53	157.10
In Transit	15.45	29.65
	176.98	186.75
(v) Stores and Spares	882.05	830.80
	10,228.95	11,851.86
(b) Trade Receivables - Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment:		
Considered Good	0.87	1.12
Considered Doubtful	24.40	24.40
Others - Considered Good * (Note C 21)	2,926.69	3,198.98
	2,951.96	3,224.50
Less: Provision for Doubtful Trade Receivables	24.40	24.40
	2,927.56	3,200.10
* Trade Receivables Include due from Related Parties:		
Private Companies in which any director is a director or member :		
Apollo International LLC, Dubai	1.27	105.60
(c) Cash and Cash Equivalents **		
(i) Cash on hand	1.61	1.75
(ii) Cheques on hand / Remittances in transit	1,136.87	1,633.19
(iii) Balances with Banks:		
Current Accounts	913.27	366.54
Other deposit accounts		
- original maturity of 3 months or less	800.00	-
(iv) Other Bank Balances:		
Unpaid Dividend Accounts	42.05	35.91
Unclaimed Deposits Accounts	-	1.07
Deposits with Maturity exceeding 3 Months ***	0.01	39.94
	2,893.81	2,078.40

Work in Progress consists of Automotive Tyres only.

** 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 ₹ 2,851.75 Million (₹ 2,001.48 Million)

*** Includes Deposit of Nil (₹ 37.97 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 ₹ 0.01 Million (₹1.97 Million) which have an original maturity of more than 12 months.

B 11 SHORT TERM LOANS & ADVANCES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Short-Term Loans & Advances:		
Unsecured, Considered Good		
Advances given to Related Parties (Note C21)	169.32	135.77
Fixed deposits with financial institutions	3800.00	-
Others:		
Trade Advances	392.09	709.17
Employee Advances	123.43	129.42
CENVAT Recoverable	185.37	102.93
VAT Recoverable	375.79	349.18
Service Tax Recoverable	116.59	91.05
Advance Licence Benefit	193.49	-
Export Incentives Recoverable	187.35	85.87
Prepaid Expenses	81.78	77.80
	5,625.21	1,681.19
Considered Doubtful	20.56	20.56
	5,645.77	1,701.75
Less: Provision for Doubtful Advances	20.56	20.56
	5,625.21	1,681.19
MAT Credit Entitlement availed		450.13
Less: MAT Credit utilised	-	(450.13)
	5,625.21	1,681.19
Advances given to Related Parties		
Private Companies in which any director is a director or member :		
Bespoke Tours & Travels Ltd	6.01	-
Apollo Fiege Integrated Logistics Pvt Ltd	-	0.49
	6.01	0.49
B 12 OTHER CURRENT ASSETS		
Investment promotion Subsidy Receivable from		
Government of Tamil Nadu	536.21	375.00
Interest accrued on Deposits	75.81	0.96
	612.02	375.96

B 13 OTHER OPERATING INCOME

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Investment promotion Subsidy from Government of Tamil Nadu (Note C4)	536.21	521.04
Sale of scrap	273.95	295.14
Early Payment Discount Received from Raw Material Suppliers	42.12	74.45
	852.28	890.63

B 14 OTHER INCOME

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Interest earned on Deposits		
- Bank	88.31	43.34
- Others	65.94	13.85
	154.25	57.19
(b) Dividend Income from Long Term Investments:		
Bharat Gears Ltd.	-	0.02
Unit Trust of India	0.37	0.50
	0.37	0.52
(c) Dividend Income from Current Investments:		
Mutual Funds	162.40	25.78
(d) Other Non-Operating Income:		
Unclaimed Credit Balances / Provisions no longer required written back	3.24	20.00
Royalty Income	64.01	73.83
Profit on Sale of Investments	0.25	-
Gain on Foreign Exchange Fluctuation (Net)	135.61	86.65
Miscellaneous Receipts	16.31	111.49
	219.42	291.97
	536.44	375.46

B 15 MANUFACTURING AND OTHER EXPENSES

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Cost of Materials Consumed:		
Opening stock	3,037.66	3,952.13
Add: Purchases	46,154.51	53,387.81
Less: Closing Stock	2,780.84	3,037.66
Raw Materials Consumed - Note C 11 (C)	46,411.33	54,302.28
Purchase of Stock-in-Trade:		
Purchase of Finished Goods - Tyres, Tubes & Flaps	2,244.04	2,492.19
Employee Benefits Expense:		
Salaries and Wages	4,533.00	4,250.93
Contribution to Provident and Other Funds - Note 4 & C 14	341.14	425.12
Staff Welfare expenses	787.15	771.69
Employees Stock Appreciation Rights - Note C 15	3.59	3.58
	5,664.88	5,451.32
Other Expenses:		
Consumption of stores and spare parts - Note 1	646.74	605.88
Power and Fuel - Note 2	2,821.99	2,797.04
Conversion Charges	1,103.04	1,053.25
Repairs and Maintenance		
- Machinery	129.51	118.63
- Buildings	21.84	25.05
- Others	770.13	674.39
Rent - Note 3	354.01	299.89
Lease Rent - Factory	458.96	400.00
Insurance	75.59	79.33
Rates and Taxes	157.91	160.49
Directors' Sitting Fees	7.60	6.30
Commission to Non-Wholetime Directors	50.00	50.00
Loss on Sale of Tangible Fixed Assets (Net)	22.57	26.24
Diminution in value of Investment	1.31	-

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Travelling, Conveyance and Vehicle Expenses	1,023.13	956.68
Postage, Telex, Telephone and Stationery	114.86	119.11
Conference Expenses	103.81	294.90
Royalty Paid	12.91	8.86
Freight and Forwarding	2,706.25	2,615.31
Commission on Sales	87.42	90.00
Sales Promotion Expenses	766.03	870.39
Advertisement and Publicity	1,124.57	564.48
Corporate Social Responsibility Expenses - Note 5 & C 18	129.57	57.37
Research and Development - Note C 9	1,342.52	875.25
Bank Charges	34.52	36.62
Statutory Auditors Remuneration - Note C 10	13.25	12.45
Legal and Professional Expenses	662.01	416.70
Miscellaneous Expenses	1,080.43	860.98
	15,822.48	14,075.59
	70,142.73	76,321.38

Notes:

1 Stores & Spares Consumed includes stores issued for repairs ₹ 2.12 Million (₹ 2.63 Million).

2 Power and Fuel includes Stores Consumed ₹ 490.18 Million (₹ 523.11 Million).

3 Net of Rent Received ₹ 9.45 Million (₹ 1.45 Million).

4 Net of Cross-Charge ₹ 1.98 Million (₹ 1.08 Million)

5 Corporate Social Responsibility Expenses includes Nil (₹ 0.55 Million) available with the implementation partner to be deployed in due course.

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

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening Stock		
Work in Progress	588.67	675.42
Finished Goods	7,207.98	7,262.25
Stock-in-Trade	186.75	200.13
	7,983.40	8,137.80
Less: Closing Stock		
Work in Progress	695.72	588.67
Finished Goods	5,693.36	7,207.98
Stock-in-Trade	176.98	186.75
	6,566.06	7,983.40
Decrease / (Increase)	1,417.34	154.40
Add: Excise Duty on Increase / (Decrease) of Finished Goods (Note C 7)	(151.12)	42.89
	1,266.22	197.29

B 17 FINANCE COSTS

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Interest Expense:		
Interest on Fixed-Term Loans	275.21	473.02
Interest on Debentures	138.73	536.79
Interest on Other Loans	466.47	694.05
(b) Other Borrowing Costs	2.90	17.02
	883.31	1,720.88

C. Other Notes on Accounts

1 CONTINGENT LIABILITIES

	₹ Million	
Particulars	2015-16	2014-15
Sales Tax	40.05	76.17
Income Tax #	392.90	451.30
Claims against the company not acknowledged as debts - Employee Related	58.18	48.64
- Others	49.00	43.00
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
Excise Duty *	137.61	57.93

* 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

	₹ Million	
Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account & not provided for Tangible Assets	3,980.32	800.14
Other Commitments:		
Non-disposal of investments in indirect subsidiary, Apollo Tyres (Middle East) FZE, through Apollo (Mauritius) Holdings Pvt Ltd Value of investment as at March 31, 2016 is ₹ 36.09 Million (₹ 34.14 Million)		
The company has provided financial support commitments to certain Subsidiaries.		
Total	3,980.32	800.14

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, inter alia, 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 ₹ 536.21 Million (₹ 521.04 Million) as other operating income (Note B13), being the eligible amount of refund of Net Output VAT + CST paid by the Company to GoTN.

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 Nil (₹ 22.50 Million) on fulfilling the eligibility conditions which has been credited to capital subsidy disclosed under Reserves & Surplus.

6 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 -

		₹ Million	
Particulars		2015-16	2014-15
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year		36.98	31.02
(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 accrued and remaining unpaid at the end of the accounting 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.

7 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".

8 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2015, the company has adopted componentisation of fixed assets to align with the conditions specified in schedule II.

Pursuant to the conditions specified in Schedule II to the Companies Act, 2013, the company has done the componentisation of fixed assets and has fully depreciated the carrying value of the component, net of residual value, where the remaining useful life of that component is determined to be nil as on April 1, 2015 and has adjusted an amount of ₹ 42.12 Million (net of deferred tax of ₹ 22.28 Million) against the 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 has increased by ₹ 220.66 Million consequent to the change in the useful life of the assets due to componentisation.

8A The Board of Directors of the Company at its meeting held on October 30, 2015 had approved the Amalgamation/merger of Apollo (Mauritius) holdings Pvt. Ltd., wholly owned subsidiary, with the Company subject to necessary approvals. The appointed date of the amalgamation is April 1, 2016. The first motion for the approval of scheme of amalgamation has been filed with the Hon'ble High Court of Kerala on April 8, 2016.

9 RESEARCH AND DEVELOPMENT EXPENDITURES:

₹ Million		
Particulars	2015-16	2014-15
(A) Revenue Expenditure		
Materials	34.41	84.86
Employee Benefit Expenses	190.24	135.08
Travelling Expenses	20.07	20.11
Others	1,097.80	635.20
Sub - Total	1,342.52	875.25
(B) Capital Expenditure	370.04	167.51
Total (A+B)	1,712.56	1,042.76

10 STATUTORY AUDITORS' REMUNERATION

₹ Million		
Particulars	2015-16	2014-15
For Audit	6.00	6.00
For Company Law matters	0.40	0.40
For Quarterly Review & Consolidation	2.60	2.60
For Other Services	4.25	3.45
Total	13.25	12.45

11 (A) Turnover and Stock of Finished goods & Stock in Trade

Particulars	Unit	Opening Stock		Turnover		Closing Stock	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Automobile Tyres, Tubes and Flaps	₹/Million	7,252.83	7,356.09	95,657.42	98,158.55	5,715.18	7,252.83
Others	₹/Million	141.90	106.29	536.44	614.17	155.16	141.90
Total	₹/Million	7,394.73	7,462.38	96,193.86	98,772.72	5,870.34	7,394.73

(B) Raw Materials Consumed

₹ Million		
Particulars	2015-16	2014-15
Fabric	5,787.78	6,743.31
Rubber	24,336.13	27,926.29
Chemicals	4,626.16	5,052.65
Carbon Black	5,546.46	8,037.87
Others	6,114.80	6,542.16
Total	46,411.33	54,302.28

(C) Break-up of Consumption

₹ Million				
Particulars	2015-16		2014-15	
	%	₹/Million	%	₹/Million
Raw Material - Imported	42.58%	19,760.54	45.74%	24,838.26
- Indigenous	57.42%	26,650.79	54.26%	29,464.02
	100.00%	46,411.33	100.00%	54,302.28
Stores & Spares - Imported	8.22%	53.15	9.67%	58.58
- Indigenous	91.78%	593.59	90.33%	547.30
	100.00%	646.74	100.00%	605.88

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

₹ Million

Particulars	2015-16	2014-15
Raw Material	19,648.14	24,098.07
Stores & Spares	62.17	64.50
Capital Goods	1,737.74	447.93

**(E) Expenditure in Foreign Currency (Remitted) :
(Excluding value of imports)**

₹ Million

Particulars	2015-16	2014-15
Interest	321.09	577.07
Dividend for the year 2014-15 (2013-14)*	3.96	1.48
Royalty	12.21	6.76
Others (including cross-charge of R & D expenses and management expenses paid to Foreign Subsidiary Companies)	2,353.42	1,320.91

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

12 EARNINGS IN FOREIGN EXCHANGE (GROSS)

₹ Million

Particulars	2015-16	2014-15
FOB Value of Exports	7,392.91	8,775.33
Interest Received	15.76	-
Royalty Received	64.01	73.83
Cross Charge of Management Expenses Received	57.82	54.73
Reimbursement of Expenses Received	345.96	209.28

13 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALIZED / INCLUDED IN CAPITAL WORK IN PROGRESS DURING THE YEAR

₹ Million

Particulars	2015-16	2014-15
Raw Material Consumed	-	10.76
Salaries, Wages and Bonus	16.98	3.35
Welfare Expenses	9.29	4.94
Rent	1.40	1.45
Travelling, Conveyance and Vehicle expenses	2.40	4.04
Postage, Telephone and Stationery	0.21	0.20
Power and Fuel	2.31	1.64
Insurance	4.19	-
Legal & Professional Expenses	0.84	0.55
Miscellaneous Expenses	1.60	0.72
Total*	39.22	27.66

*Out of the above ₹ 4.19 Million (Nil) is included in capital work in progress as on March 31, 2016

14 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 ₹ **62.58 Million** (₹ 59.83 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 ₹ **210.59 Million** (₹215.96 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:

Consolidated Statement of Profit and Loss: Net employee benefit expenses

	₹ Million	
Particulars	2015-16	2014-15
Current service cost	62.51	56.39
Interest Cost on Benefit Obligation	68.22	61.01
Expected return on plan assets	(55.33)	(57.95)
Curtailment Cost	-	-
Settlement Cost	-	-
Net Actuarial (Gain)/ Loss recognized in the year	(7.43)	138.80
Expense recognized in the Statement of Profit & Loss	67.97	198.25

Actual Contribution and Benefit payments for the year

	₹ Million	
Particulars	2015-16	2014-15
Actual Contributions	187.32	48.72
Actual Benefit Payments	(82.53)	(82.66)

Balance Sheet:

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

	₹ Million				
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligation at the end of the year	895.72	852.80	681.75	646.17	603.76
Fair value of plan assets at the end of the year	814.58	654.55	633.32	600.99	527.65
Asset/(Liability) recognized in the balance sheet	(81.14)	(198.25)	(48.43)	(45.18)	(76.11)
Experience Adjustment of obligation - (Gain) / Loss *	(5.28)	75.99	30.02	9.36	42.04
Experience Adjustment of plan assets - Gain / (Loss) *	(2.43)	(1.85)	(3.84)	0.31	1.75

Changes in the present value of the defined benefit obligation are as follows:

	₹ Million	
Particulars	2015-16	2014-15
Present value of obligations as at the beginning of the year	852.80	681.75
Interest cost	68.22	61.02
Current service cost	62.51	56.39
Benefits paid	(82.53)	(82.67)
Actuarial (gain) / loss on obligation	(5.28)	136.31
Present value of obligations as at the end of the year	895.72	852.80

Changes in the fair value of plan assets are as follows:

	₹ Million	
Particulars	2015-16	2014-15
Fair value of plan assets at beginning of the year	654.83	633.32
Expected return on plan assets	55.33	57.95
Contributions	184.80	48.72
Benefits paid	(82.53)	(82.67)
Actuarial (gain) / loss on plan assets	2.15	(2.49)
Fair value of plan assets as at the end of the year	814.58	654.83

The Company'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	2015-16	2014-15
	Rate %	Rate %
a) Discount rate	8.00	8.00
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	8.45	9.15

* 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 ₹ 83.69 Million (₹ 98.72 Million).

Demographic Assumptions for Gratuity:

Particulars	2015-16	2014-15
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-2008)	IALM(2006-2008)
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	2015-16	2014-15
	Rate %	Rate %
a) Discount rate	8.00	8.00
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	2015-16	2014-15
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-2008)	IALM (2006-2008)
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

15 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 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:

Date of Grant	As at March 31, 2016			As at March 31, 2015		
	01.04.2010	01.04.2011	01.04.2012	01.04.2010	01.04.2011	01.04.2012
Phantom Stock Units Outstanding	-	197,500	75,000	-	291,250	75,000
Phantom Stock Units exercised	1,200,000	702,500	-	1,200,000	608,750	-
Exercise Price of Share (₹)	-	50.00	50.00	-	50.00	50.00
Market Price of Share (₹)	-	174.90	174.90	-	168.25	168.25
Fair Value of Share (₹)	-	130.21	129.71	-	126.77	125.76
Amount charged to Statement of Profit & Loss (Included in Note B 15 - Employee Benefits Expense)	-	₹ 2.54 Million	₹ 1.05 Million	-	₹ 3.09 Million	₹ 0.49 Million
Liability as on 31.03.2016 (Included in Note B 4 (Trade Payables))	-	₹ 35.22 Million	₹ 9.37 Million	-	₹ 37.74 Million	₹ 8.31 Million

Phantom Stock outstanding units summary sheet is as follows -

Particulars	2015-16	2014-15	2013-14
Opening Phantom Stock Units	366,250	927,500	1,486,250
Number of Units issued during the year	-	-	-
Number of Units vested during the year	93,750	561,250	558,750
Closing Phantom Stock units	272,500	366,250	927,500

The details of Variables used for Fair Valuation are given in the table below:

Grant date	01-Apr-10			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2016	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			
Stock Price (₹)				
Volatility				
Riskfree Rate				
Exercise Price (₹)				
Time To Maturity (In Years)				
Dividend yield				
Fair Value per vest (₹)				
Vesting Percentage				
Option Fair Value				

Grant date	01-Apr-11			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2016	April 1, 2012	April 1, 2013	April 1, 2014	April 1, 2015
Variables	The Options from Vest 1, Vest 2 & Vest 3 have been completely exercised			
Stock Price (₹)				174.90
Volatility				45.38%
Riskfree Rate				7.26%
Exercise Price (₹)				50.00
Time To Maturity (In Years)				3.00
Dividend yield				1.02%
Fair Value per vest (₹)				130.21
Vesting Percentage				100%
Option Fair Value				130.21

Grant date	01-Apr-12			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2016	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Variables				
Stock Price (₹)	174.90	174.90	174.90	174.90
Volatility	43.31%	42.74%	45.38%	46.82%
Riskfree Rate	7.10%	7.18%	7.26%	7.32%
Exercise Price (₹)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	2.00	2.50	3.00	3.50
Dividend yield	1.02%	1.02%	1.02%	1.02%
Fair Value per vest (₹)	128.20	129.08	130.21	131.33
Vesting Percentage	25%	25%	25%	25%
Option Fair Value	129.71			

Phantom Stock Scheme - Proforma P&L 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	2015-16	2014-15
Impact on Net Profit (₹ Million)		
Net Profit (As reported)	8,524.63	6,450.81
Add:- Cash based employee compensation expense included in net profit	3.59	3.58
Less:- Cash based compensation expense determined under fair value based method (Proforma)	1.99	49.02
Net Profit (Proforma)	8,526.23	6,405.37
Impact on Earnings per Share (₹)		
Basic:		
Basic Earnings per Share of ₹ 1 Each (As reported)	16.75	12.70
Basic Earnings per Share of ₹ 1 Each (Proforma)	16.75	12.61
Diluted:		
Diluted Earnings per Share of ₹ 1 Each (As reported)	16.75	12.69
Diluted Earnings per Share of ₹ 1 Each (Proforma)	16.75	12.60

16 The components of Deferred Tax Liabilities (Net) are as follows:

Particulars	2015-16	2014-15
Deferred Tax Liability on timing differences arising on:		
Depreciation	4,825.17	4,453.68
Sub Total (A)	4,825.17	4,453.68
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	1.48	2.60
Provision for Gratuity and Leave Encashment	118.25	113.87
Provision for Doubtful Debts / Advances	15.56	15.56
Others	193.64	199.23
Sub Total (B)	328.93	331.26
Net Deferred Tax Liability (A-B)	4,496.24	4,122.42

Particulars	Amount
Deferred Tax Liabilities as at March 31, 2015	4,122.42
Less: Reversal of Deferred Tax Liability relating to componentisation of fixed assets adjustment of depreciation recorded against surplus balance in Statement of Profit and Loss	22.28
Add: Deferred Tax Liabilities for the year 2015-16	396.10
Deferred Tax Liabilities as at March 31, 2016	4,496.24

- 17** (a) Provision for sales related obligations represents estimates for payments to be made in future. Major portion of the 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.

Opening Balance as at April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
1,669.38	2,223.68	1,831.48	2,061.58

- 17** (b) The Company carries a general provision for contingencies towards various claims against the Company not acknowledged as debts.

₹ Million			
Opening Balance as at April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
425.00	-	-	425.00

- 17** (c) Provision for constructive liability arising on account of lease contracts up to **6 years** (7 years) are as follows

₹ Million			
Opening Balance as at April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
108.34	6.48	14.27	100.55

18 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ Million	
Particulars	Amount
Total expenditure towards CSR Activities	129.57
Amount required to be spent u/s 135 of the Companies Act, 2013	129.32
(Excess) / Shortfall	(0.25)

19 FOREIGN EXCHANGE TRANSACTIONS

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, 2016:

Million			
Currency	Amount	Buy/Sell	Cross Currency
US Dollar	68.48	Buy	Rupees
US Dollar	0.25	Sell	South African Rand
2014-15			
US Dollar	74.00	Buy	Rupees
EURO	6.00	Sell	Rupees

The mark to market losses of ₹ 134.50 Million (₹ 150.49 Million) 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 15 (17).

- 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, 2016		As at March 31, 2015	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	INR	FC	INR	FC
UAE Dirham	1.30	0.07	(57.01)	(3.31)
Swiss Franc	(3.07)	(0.04)	(2.03)	(0.03)
EURO	1,317.41	17.47	261.02	3.67
British Pound	(120.29)	(1.26)	(125.26)	(1.33)
Indonesian Rupiah	(0.04)	(7.25)	(0.04)	(7.25)
Japanese Yen	0.03	0.05	0.05	0.09
Malaysian Ringgit	0.13	0.01	0.17	0.01
Philippine Peso	0.30	0.21	0.23	0.21
Singapore Dollar	1.54	0.03	0.23	0.01
Thai Bhat	(0.92)	(0.49)	(0.20)	(0.11)
US Dollar	(4,237.32)	(63.96)	800.59	12.66
South African Rand	135.94	30.21	8.25	1.55

- 20** 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	₹ Million	
	2015-16	2014-15
1. Revenue by Geographical Market		
India	78,738.44	80,752.63
Rest of the world	8,814.41	9,296.14
Total	87,552.85	90,048.77
2. Carrying Amount of Segment Assets		
India	67,928.40	59,760.32
Rest of the world- export Debtors	811.40	1,453.74
Total	68,739.80	61,214.06
3. Capital Expenditure incurred during the year		
India	6,935.03	2,826.52
Rest of the world	-	-
Total	6,935.03	2,826.52

21 Disclosure of Related Party Transactions in accordance with the mandatory accounting standards AS- 18 “Related Party Disclosures”

Name of the Related Parties

Particulars	2015-16	2014-15
Subsidiaries	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL), Mauritius	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL), Mauritius
	Apollo (South Africa) Holdings Pty Ltd (ASHPL) (Subsidiary through ATCOOP) (Note (b))	Apollo (South Africa) Holdings Pty Ltd (ASHPL) (Subsidiary through AMHPL)
	Apollo Tyres Africa (PTY) Ltd (Subsidiary through ASHPL)	Apollo Tyres Africa (PTY) Ltd (Subsidiary through ASHPL)
	N.A.	UK ATL Holdings Ltd (Subsidiary through ASHPL), United Kingdom
	N.A.	Apollo Tyres Zimbabwe (Pvt) Ltd (DZL) (Subsidiary through UK ATL Holdings Ltd), Zimbabwe
	N.A.	Apollo Acquisition Corp.
	N.A.	Radun Investments (Pvt.) Ltd, Zimbabwe (Subsidiary through UK ATL Holdings Ltd)- Note (d)
	N.A.	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 (AT AG) (Subsidiary through Apollo Coop)	Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through Apollo Coop)
	Apollo Tyres Holdings (Singapore) PTE. Ltd, (ATHS), Singapore (Subsidiary through Apollo Coop)	Apollo Tyres Holdings (Singapore) PTE. Ltd, (ATHS), Singapore (Subsidiary through Apollo Coop)
	N.A.	Apollo Tyres (LAO) Co. Ltd, Lao, PDR (Subsidiary through ATHS)
	Apollo Tyres Middle East FZE (ATMEFZE), Dubai (Subsidiary through Apollo Coop)	Apollo Tyres Middle East FZE (ATMEFZE), Dubai (Subsidiary through Apollo Coop)
	Apollo Tyres Co -operatief U.A., Netherlands (Apollo Coop) (Subsidiary through AMHPL)	Apollo Tyres Co -operatief U.A., Netherlands (Apollo Coop) (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, United Kingdom (Subsidiary through Apollo Coop)	Apollo Tyres (UK) Pvt Ltd, United Kingdom (Subsidiary through Apollo Coop)
	Apollo Tyres (Brasil) LTDA, Brazil (Subsidiary through Apollo Coop)	Apollo Tyres (Brasil) LTDA, Brazil (Subsidiary through Apollo Coop)
	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) B.V.- Note (a)	Apollo Tyres (Greenfield) Co. Operatief U.A.
	Apollo Tyres (London) Pvt Ltd (Subsidiary through ATUK) - Note (c)	“Apollo Tyres Propvest (U.K.) Pvt Ltd (Subsidiary through ATUK)”
	Reifencom GmbH, Bielefeld (Subsidiary through ATCOOP) - Note (d)	N.A.
	Reifencom GmbH, Hannover (Subsidiary through Reifencom GmbH, Bielefeld) - Note (d)	N.A.
	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover (Subsidiary through Reifencom GmbH, Bielefeld & Reifencom GmbH, Hannover) - Note (d)	N.A.
	Reifencom Tyre (Qingdao) Co., Ltd (Subsidiary through Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover) - Note (d)	N.A.

Particulars	2015-16	2014-15
	Apollo Tyres (Malaysia) Sdn Bhd (Subsidiary through ATHS) - Note (e)	N.A.
	Apollo Tyres (Germany) GmbH (Subsidiary through ATCOOP) - Note (e)	N.A.
	Apollo Tyres (Hungary) KFT. (Subsidiary through ATBV)	Apollo Tyres (Hungary) KFT. (Subsidiary through ATBV)
	Subsidiaries of Apollo Vredestein B.V (AVBV):	Subsidiaries of Apollo Vredestein B.V (AVBV):
	Apollo Vredestein GmbH, Germany	Apollo Vredestein GmbH, Germany
	Vredestein Norge A.S., Norway	Vredestein Norge A.S., Norway
	Apollo Vredestein U.K. Limited, United Kingdom	Apollo Vredestein U.K. Limited, United Kingdom
	Apollo Vredestein Belux SA, Belgium	Apollo Vredestein Belux SA (Earlier known as N.V. Vredestein SA), Belgium
	Apollo Vredestein Gesellschaft m.b.H., Austria	Apollo Vredestein Gesellschaft m.b.H., Austria
	Apollo Vredestein Schweiz A.G., Switzerland	Apollo Vredestein Schweiz A.G., Switzerland
	Vredestein Nordic A.B., Sweden	Vredestein Nordic A.B., Sweden
	S.C. Vredesetin R.O. Srl, Romania (Subsidiary through Apollo Vredestein Kft, Hungary)	S.C. Vredesetin R.O. Srl, Romania
	Apollo Vredestein Iberica SA, Spain	Apollo Vredestein Iberica SA, Spain
	Apollo Vredestein Tires Inc., USA	Apollo Vredestein Tires Inc., USA
	Apollo Vredestein Kft, Hungary	Apollo Vredestein Kft, Hungary
	Apollo Vredestein Srl, Italy	Apollo Vredestein Srl, Italy
	Apollo Vredestein Opony Polska Sp. Zo.o., Poland	Apollo Vredestein Opony Polska Sp. Zo.o., Poland
	Apollo Vredestein SAS., France	Apollo Vredestein SAS., 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 (Subsidiary through Apollo Vredestein GmbH)	Vredestein Marketing B.V. & Co. KG, Germany
Associates	N.A.	National Tyre Service, Zimbabwe
	Pressurite (Pty) Ltd, South Africa	Pressurite (Pty) Ltd, South Africa
Joint Ventures	PanAridus LLC, USA (JV through ATHS)	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
	Shardul Amarchand Mangaldas & Co	Amarchand & Mangaldas & Suresh A Shroff & Co.
	J Sagar & Associates	J Sagar & Associates
	Regent Properties	Regent Properties

Particulars	2015-16	2014-15
	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
	Milers Global Pvt Ltd	Milers Global Pvt Ltd
	Apollo Fiege Integrated Logistics Pvt Ltd	Apollo Fiege Integrated Logistics Pvt Ltd
Key Management Personnel	Mr Onkar S Kanwar	Mr Onkar S Kanwar
	Mr Neeraj Kanwar	Mr Neeraj Kanwar
	N.A.	Mr U S Oberoi
	Mr Sunam Sarkar - Note (f)	Mr Sunam Sarkar
Relatives of Key Managerial Personnel	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) During the year, Apollo Tyres (Greenfield) Co. Operatief U.A. Has been converted to Apollo Tyres (Greenfield) B.V.
(b) As a part of group restructuring exercise, entire share capital of Apollo (South Africa) Holdings (Pty) Ltd has been transferred by AMHPL to Apollo COOP.
(c) Name changed from Apollo tyres Propvest (U.K.) Pvt Ltd to Apollo Tyres (London) Pvt Ltd
(d) Acquired during the year.
(e) Incorporated during the year.
(f) Ceased to be whole-time director w.e.f. August 11, 2015.

Transactions with Related Parties:

FY 2015-16

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	₹ Million Total
Description of Transactions:				
Sales: Finished Goods				
Apollo Intl. Trading LLC, Dubai		23.26		23.26
Apollo International Ltd		1,015.97		1,015.97
Apollo Tyres Global R&D B.V	1.25			1.25
Apollo Vredestein B.V.	2,029.48			2,029.48
Apollo Tyres Middle East Fze.	1,328.76			1,328.76
Apollo Tyres Thailand Ltd	2,282.24			2,282.24
Apollo Tyres Africa (Pty) Ltd	389.32			389.32
	6,031.05	1,039.23		7,070.28
Sales: Raw Materials				
Classic Auto Tubes Ltd		26.99		26.99
Sales: Semi Finished Goods				
Apollo Vredestein B.V.	9.50			9.50
Investments Made:				
Apollo Mauritius Holdings Pvt Ltd	201.17			201.17
Royalty Income:				
Apollo Tyres Middle East Fze.	16.60			16.60
Apollo Tyres Thailand Ltd	31.76			31.76

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
Apollo Tyres Africa (Pty) Ltd	15.65			15.65
	64.01			64.01
Cross Charge of Management & Other Expenses Received #:				
Apollo Vredestein B.V.	41.50			41.50
Apollo Tyres Middle East Fze.	1.75			1.75
Apollo Tyres Global R & D B.V.	4.81			4.81
Apollo Tyres (UK) Pvt Ltd	1.58			1.58
Apollo Tyres Thailand Ltd	2.36			2.36
PTL Enterprises Ltd		0.88		0.88
Classic Auto Tubes Ltd		1.75		1.75
Apollo Tyres Africa (Pty) Ltd	0.40			0.40
Artemis Medicare Services Ltd		0.60		0.60
Apollo Tyres (Hungary) Kft	3.48			3.48
Apollo Tyres Holdings (Singapore) Pte Ltd	1.94			1.94
	57.82	3.23		61.05
Rent Received:				
PTL Enterprises Ltd		0.12		0.12
Bespoke Tours & Travels Ltd		1.26		1.26
Classic Auto Tubes Ltd		0.11		0.11
		1.49		1.49
Interest Received:				
Apollo Tyres (Greenfield) Co-operatief U.A.	15.76			15.76
Reimbursement of Expenses Received:				
Apollo Vredestein B.V.	148.94			148.94
Apollo Tyres Middle East Fze.	4.16			4.16
Apollo Tyres Global R & D B.V.	48.78			48.78
Apollo Tyres Thailand Ltd	2.86			2.86
Apollo Tyres (UK) Pvt Ltd	13.06			13.06
Classic Auto Tubes Ltd		5.55		5.55
Apollo Tyres Africa (Pty) Ltd	0.60			0.60
PTL Enterprises Ltd		1.85		1.85
Apollo International Ltd		2.37		2.37
Apollo Tyres (Hungary) Kft	116.21			116.21
Apollo Tyres Holdings (Singapore) Pte Ltd	11.35			11.35
	345.96	9.77		355.73
Freight & Insurance recovered:				
Apollo Tyres Middle East Fze.	27.00			27.00
Apollo Tyres Thailand Ltd	29.14			29.14
Apollo Tyres Africa (Pty) Ltd	15.67			15.67
Apollo Vredestein B.V.	66.43			66.43
Apollo Tyres Global R&D B.V	1.59			1.59
	139.83			139.83
Royalty Paid:				
Apollo Tyres AG, Switzerland	12.90			12.90

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
Purchases :				
Apollo Vredestein B.V.	140.30			140.30
Classic Auto Tubes Ltd		509.40		509.40
Apollo Tyres Holdings (Singapore) Pte Ltd	6,363.05			6,363.05
	6,503.35	509.40		7,012.75
Clearing Charges Paid:				
Apollo Fiege Integrated Logistics Pvt Ltd		26.34		26.34
Warehouse Management Charges Paid:				
Apollo Fiege Integrated Logistics Pvt Ltd		69.28		69.28
Legal and Professional Charges Paid:				
Amarchand and Mangaldas		0.65		0.65
J Sagar & Associates		4.82		4.82
Shardul Amarchand Mangaldas & Co		5.76		5.76
		11.23		11.23
Reimbursement of Expenses paid:				
PTL Enterprises Ltd		634.62		634.62
Classic Auto Tubes Ltd		364.09		364.09
Apollo Vredestein B.V.	3.70			3.70
Apollo Tyres Thailand Ltd	14.14			14.14
Apollo Tyres Middle East Fze.	5.32			5.32
Apollo International Ltd		0.32		0.32
Apollo Tyres (UK) Pvt Ltd	0.55			0.55
Apollo Tyres Africa (Pty) Ltd	1.06			1.06
Apollo Tyres (Hungary) Kft	10.46			10.46
Apollo Tyres Holdings (Singapore) Pte Ltd	0.42			0.42
Apollo Vredestein Italia S.r.l	0.46			0.46
Apollo Vredestein Schweiz AG	0.44			0.44
	36.55	999.03		1,035.58
Payment for Services Received:				
Artemis Medicare Services Ltd		10.08		10.08
Classic Auto Tubes Ltd		0.63		0.63
		10.71		10.71
Cross Charge of R & D Expenses paid:				
Apollo Tyres Global R & D B.V.	905.24			905.24
Cross Charge of Other Expenses paid:				
Apollo Tyres (UK) Pvt Ltd	751.56			751.56
Apollo Tyres Holdings (Singapore) Pte Ltd	133.05			133.05
	884.61			884.61
Lease Rent paid:				
PTL Enterprises Ltd		458.96		458.96
Rent Paid:				
Sunlife Tradelinks		24.06		24.06
Land Mark Farms & Housing		24.00		24.00
Regent Properties		21.60		21.60

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
Classic Auto Tubes Ltd		0.12		0.12
Milers Global Pvt Ltd		3.01		3.01
		72.79		72.79
Conversion charges Paid:				
Classic Auto Tubes Ltd		964.34		964.34
Mixing Charges Paid:				
Classic Auto Tubes Ltd		275.76		275.76
Travelling Expenses Paid:				
Bespoke Tours & Travels Ltd		273.62		273.62
Conference Expenses:				
Bespoke Tours & Travels Ltd		67.28		67.28
Security Deposits Given:				
PTL Enterprises Ltd		100.00		100.00
Commision received:				
Apollo Finance Ltd		0.52		0.52
Commssion on Sales paid:				
Apollo Tyres Thailand Ltd	30.18			30.18
Apollo Tyres Middle East Fze.	22.63			22.63
	52.81			52.81
Short Term Advances given:				
Apollo Tyres (Greenfield) Co-operatief U.A.	2,916.08			2,916.08
Refund of Short Term advances:				
Apollo Tyres (Greenfield) Co-operatief U.A.	2,916.08			2,916.08
Managerial Remuneration:				
Mr. Onkar S. Kanwar			532.77	532.77
Mr. Neeraj Kanwar			352.32	352.32
Mr. Sunam Sarkar			5.39	5.39
			890.48	890.48
Amount Outstanding				
Trade Payable:				
Apollo Tyres AG, Switzerland	2.64			2.64
Apollo Vredestein B.V.	2.78			2.78
Apollo Tyres (UK) Pvt Ltd	131.32			131.32
Apollo Tyres Global R&D	134.74			134.74
Apollo Tyres Middle East Fze.	16.24			16.24
Classic Auto Tubes Ltd		32.33		32.33
Apollo (Mauritius) Holdings Pvt Ltd	433.58			433.58
Apollo Tyres (Thailand) Ltd	6.75			6.75

				₹ Million
Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
Apollo Fiege Integrated Logistics Pvt Ltd		8.14		8.14
Artemis Medicare Services Ltd		0.01		0.01
J Sagar Associates		0.32		0.32
Apollo Tyres Holdings (Singapore) Pte Ltd	849.78			849.78
Apollo Vredestein Schweiz AG	0.44			0.44
	1,578.27	40.80		1,619.07
Other Current Liabilities:				
Apollo Vredestein B.V.	4.60			4.60
Classic Auto Tubes Ltd		21.64		21.64
Apollo Vredestein Tires Inc.	0.06			0.06
	4.66	21.64		26.30
Long Term Loans & Advances:				
PTL Enterprises Ltd		500.00		500.00
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		75.37		75.37
		593.38		593.38
Trade Receivable:				
Apollo Vredestein B.V.	233.46			233.46
Apollo Tyres Africa (Pty) Ltd	90.82			90.82
Apollo Tyres Middle East Fze.	90.95			90.95
Classic Auto Tubes Ltd		36.48		36.48
Apollo International Ltd		62.04		62.04
Apollo Intl. Trading LLC, Dubai		1.27		1.27
Apollo Tyres (Thailand) Ltd	205.71			205.71
Apollo Tyres Global R & D B.V.	1.23			1.23
	622.17	99.79		721.96
Short Term Loans & Advances:				
Apollo Tyres Africa (Pty) Ltd	7.57			7.57
Apollo Vredestein B.V.	57.46			57.46
PTL Enterprises Ltd		77.45		77.45
Apollo International Ltd		0.39		0.39
Classic Auto Tubes Ltd		4.12		4.12
Bespoke Tours & Travels Ltd		6.01		6.01
Apollo Tyres (Hungary) Kft	16.32			16.32
	81.35	87.97		169.32

Transactions with Related Parties:
FY 2014-15

				₹ Million
Particulars	Subsidiaries	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
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.	8.18			8.18
Apollo Tyres Thailand Ltd	35.93			35.93
Apollo Tyres Africa (Pty) Ltd	29.72			29.72
	73.83			73.83
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

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
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

₹ Million

Particulars	Subsidiaries	Companies in which Directors are interested	Key Management Personnel	Total
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 and Mangaldas		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 Tyres 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

Cross Charge of Management Expenses Received includes recovery of salary adjusted in Employee Benefit Expenses ₹ 57.82 Million (₹ 54.73 Million)

22 Disclosure required by Regulation 33 of SEBI (Listing obligations & disclosure requirements) Regulations, 2015 regarding the related parties:

Amount of Loans / Advances in the nature of loans outstanding from Subsidiaries and Companies in which Directors are interested:

₹ Million			
Particulars	Outstanding as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
Subsidiaries			
2015-16			
Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)			201.17
Apollo Tyres (Green Field) B.V.	-	-	2.74
2014-15			
Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	-	-	-
Apollo Tyres (Green Field) Co-Operatief U.A.	-	-	4.05
Companies in which directors are interested			
PTL Enterprises Ltd (PTL)			
2015-16 (Trade advance)	77.45	77.45	-
2014-15 (Trade advance)	31.84	31.84	-

23 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 ₹ 458.96 Million (₹ 400 Million)

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

₹ Million		
Particulars	2015-16	2014-15
Within one year of the balance sheet date	500.00	400.00
Due in a period between one year and five years	2,500.00	2,000.00
Due after five years	-	400.00

24 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:

₹ Million				
Particulars	Total Minimum Lease Payments		Present Value of Lease Payments	
	2015-16	2014-15	2015-16	2014-15
Within one year of the balance sheet date	63.41	68.31	55.53	56.12
Due in a period between one year and five years	36.84	101.75	32.58	79.67
Due after Five Years	37.78	45.21	31.16	35.97
Total	138.03	215.27	119.27	171.76
Less: Future Finance Charges	(18.76)	(43.51)		
Present Value of Minimum Lease Payments	119.27	171.76		

25 INTEREST IN JOINT VENTURES

The Company has interests in the following Jointly controlled Entities (JCE):

							₹ Million
Name of Joint Venture and Country of Incorporation	% of interest	Amount of interest based on accounts					Capital commitments
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	
Pan Aridus LLC. USA							
As on 31st March 2016	50	15.65	15.65	38.57	70.25	Nil	Nil
As on 31st March 2015	50	18.92	18.92	43.22	64.64	Nil	Nil

₹ Million

26 Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	2015-16	2014-15
Basic & Diluted Earnings Per Share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	8,524.63	6,450.81
The weighted average number of equity shares outstanding during the year for Basic EPS - (B)	509,024,770	507,942,578
Add : Effect of Warrants which are dilutive	-	441,058
The weighted average number of equity shares outstanding during the year for Diluted EPS - (C)	509,024,770	508,383,636
Basic earnings per share (₹) – (A) / (B) (Face value of Re 1 each)	16.75	12.70
Diluted earnings per share (₹) – (A) / (C) (Face value of Re 1 each)	16.75	12.69

27 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

NEERAJ KANWAR
Vice Chairman &
Managing Director

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

Independent Auditors' Report

TO THE MEMBERS OF APOLLO TYRES LTD.

REPORT ON THE 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, 2016, the Consolidated Statement of Profit and Loss and 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 prescribed under Section 133 of the Act, as applicable. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

AUDITORS' 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 judgment, including the assessment of the risks 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. 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

- (a) We did not audit the financial statements of 41 subsidiaries whose financial statements reflect total assets of ₹ 49,723.72 Million as at March 31, 2016, total revenues of ₹ 37,155.43 Million and net cash flows amounting to ₹ (4,155.26 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, 2016, 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 is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of one jointly controlled entity, whose financial statements reflect total assets of ₹ 15.65 Million as at March 31, 2016, total revenues of ₹ 38.57 Million and net cash flows amounting to ₹ (1.85 Million) for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and 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 the jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 and the financial statements certified by

the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated 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 prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 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, 2016 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 the adequacy of the internal financial controls over financial reporting and

the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors’ reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company’s internal financial controls over financial reporting. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

- g) With respect to the other matters to be included in the Auditors’ 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 **₹ 4.36 Million** (Previous Year ₹ 3.60 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
(Firm’s Registration No.: 008072S)

M K ANANTHANARAYANAN
Partner
(Membership No.: 19521)

Chennai,
May 11, 2016

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **APOLLO TYRES LTD.** (hereinafter referred to as “the Holding Company”) as of that date. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the

Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm's Registration No.: 008072S)

M K ANANTHANARAYANAN

Partner

(Membership No.: 19521)

Chennai,

May 11, 2016

Consolidated Balance Sheet

As at March 31, 2016

₹ Million

	Notes	As at March 31, 2016	As at March 31, 2015
A. EQUITY & LIABILITIES:			
1 Shareholders' Funds :			
(a) Share Capital	B 1	509.02	509.09
(b) Reserves and Surplus	B 2	61,313.07	49,913.88
		61,822.09	50,422.97
2 Non-Current Liabilities:			
(a) Long-term Borrowings	B 3	6,095.73	3,339.39
(b) Deferred Tax Liabilities (Net)	C 13	5,961.75	5,208.95
(c) Other Long Term Liabilities	B 3	681.31	72.68
(d) Long-term Provisions	B 3	1,337.16	1,257.82
		14,075.95	9,878.84
3 Current Liabilities:	B 4		
(a) Short-term Borrowings		7,400.93	4,666.36
(b) Dues to Micro Enterprises & Small Enterprises		36.98	31.02
(c) Other Trade Payables		15,457.80	8,902.66
(d) Other Current Liabilities		5,558.94	6,927.14
(e) Short-term Provisions		6,693.10	5,465.75
		35,147.75	25,992.93
TOTAL		111,045.79	86,294.74
B. ASSETS			
1 Non-Current Assets :			
(a) Fixed Assets	B 5		
(i) Tangible Assets		41,092.03	41,559.02
(ii) Intangible Assets		2,199.29	1,096.33
(iii) Capital Work-in-Progress		9,749.82	2,182.06
		53,041.14	44,837.41
(b) Goodwill on Consolidation (Note C-8)		4,711.40	1,165.13
(c) Non-Current Investments	B 6	9.26	7.17
(d) Deferred Tax Assets (Net)	C 13	405.92	296.95
(e) Long-term Loans & Advances	B 7	7,447.62	1,907.37
(f) Other Non-Current Assets	B 8	-	360.18
		65,615.34	48,574.21
2 Current Assets:			
(a) Current Investments	B 9	1,216.35	1,000.00
(b) Inventories	B 10	19,454.31	17,782.06
(c) Trade Receivables	B 10	10,843.48	9,589.43
(d) Cash & Cash Equivalents	B 10	5,941.99	5,945.90
(e) Short Term Loans & Advances	B 11	6,886.37	2,534.63
(f) Other Current Assets	B 12	1,087.95	868.51
		45,430.45	37,720.53
TOTAL		111,045.79	86,294.74

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

NEERAJ KANWAR
Vice Chairman &
Managing Director

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

M K ANANTHANARAYANAN
Partner

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

Consolidated Statement of Profit & Loss

For the year ended March 31, 2016

₹ Million

	Notes	Year Ended March 31, 2016	Year Ended March 31, 2015
1 Revenue from Operations			
Gross Sales		127,107.69	137,247.03
Less : Excise Duty		10,029.73	9,990.04
Net Sales		117,077.96	127,256.99
Other Operating Income	B 13	852.28	897.26
2 Other Income	B 14	700.38	537.99
3 Total Revenue (1 + 2)		118,630.62	128,692.24
4 Expenses			
(a) Cost of Materials Consumed	B 15	53,628.60	64,188.49
(b) Purchase of Stock-in-Trade	B 15	6,057.54	5,932.13
(c) Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade		(51.82)	633.61
(d) Employee Benefits Expense	B 15	15,869.60	16,106.15
(e) Finance Costs	B 16	915.55	1,827.90
(f) Depreciation & Amortization expense	B 5	4,238.89	3,882.88
(g) Other Expenses	B 15	22,743.93	21,987.91
Total Expenses		103,402.29	114,559.07
5 Profit before Exceptional items & Tax (3 - 4)		15,228.33	14,133.17
6 Exceptional items - Gain / (Loss)	C 6	477.71	(824.90)
7 Profit before Tax (5 + 6)		15,706.04	13,308.27
8 Tax Expense			
(a) Current Tax Expense		4,318.77	3,534.99
(b) Deferred Tax Expense		457.08	(2.81)
Total Tax Expense		4,775.85	3,532.18
9 Profit for the year (7 - 8)		10,930.19	9,776.09
10 Earnings per Share of ₹ 1 each:			
(a) Basic		21.47	19.25
(b) Diluted		21.47	19.23
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

NEERAJ KANWAR
Vice Chairman &
Managing Director

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

M K ANANTHANARAYANAN
Partner

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

Consolidated Cash-Flow Statement

For the year ended March 31, 2016

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Profit before tax	15,706.04	13,308.27
Add: Adjustments for:		
Depreciation and Amortization Expenses	4,238.89	3,882.88
Loss on Sale of Tangible Fixed Assets (Net)	23.91	23.86
Exceptional Item	(477.71)	824.90
Dividend from Long Term and Current Investments	(162.77)	(26.30)
Provision for Doubtful Trade Receivables / Advances written back	86.84	40.20
(Profit) on Sale of Investments	(0.25)	-
Provision for Constructive Liability	(7.79)	7.50
Provision for Compensated Absences	20.44	37.83
Provision for estimated loss on derivatives	(15.99)	82.64
Unclaimed Credit Balances / Provisions written back	(3.24)	(20.00)
Finance Cost (Net of Interest Capitalized)	915.55	1,827.90
Interest Income	(166.84)	(115.60)
Unrealized Loss / (Gain) on Foreign Exchange Fluctuation	(56.31)	11.49
Post Retirement Medical Obligation	4.66	0.06
	4,399.39	6,577.36
(ii) Operating Profit Before Working Capital Changes	20,105.43	19,885.63
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	33.16	1,697.68
Trade Receivables	1,749.96	892.32
Short-Term Loans and Advances	(188.51)	579.56
Other Non-Current Assets	360.18	(146.04)
Other Current Assets	(161.21)	104.16
Long -Term Loans and Advances	(57.68)	(260.61)
	1,735.90	2,867.07
Adjustments for increase / (decrease) in operating liabilities:		
Dues to MSME	5.96	2.23
Trade Payables	2,643.51	(4,116.58)
Other Current Liabilities	(819.65)	(1,146.72)
Other Long-Term Liabilities & Provisions	197.66	184.11
Short - Term Provisions	391.36	28.06
	2,418.84	(5,048.90)
(iii) Cash Generated from Operations	24,260.17	17,703.80
Less: Direct Taxes Paid (Net of Refund)	(3,913.62)	(2,954.16)
Add/Less: Exceptional Item	1,660.51	(629.96)
Net Cash Flow From Operating Activities (A)	22,007.06	14,119.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Purchase of Investment Property and Interest Capitalized)	(17,154.35)	(6,372.65)
Proceeds from Sale of Fixed Assets	57.08	67.87
Purchase of Long Term Investments	(203.85)	-
(Purchase) / Sale of Investments	(216.35)	(796.21)
Sale of Long Term Investments	0.84	-
Long Term Fixed Term Deposits With Banks Taken / Matured	41.00	15.86
Investment on acquisition of subsidiary	(2,893.37)	-
Fixed Deposits with Financial Institution placed / matured	(3,800.00)	-
Payment for Trademarks	-	(557.06)
Dividends received from Long Term & Current Investments	162.77	26.30
Interest Received	92.01	115.69
Net Cash Used in Investing Activities (B)	(23,914.22)	(7,500.20)

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital including Share Premium	-	323.25
Long-Term Borrowings Received	7,977.19	45.86
Repayment of Long -Term Borrowings	(3,187.70)	(7,652.61)
Capital Subsidy received	-	22.50
ETP Subsidy received	-	3.00
Short-Term Borrowings (net of repayments)	(874.87)	2,781.22
Payment of Dividends (Including Dividend Tax)	(1,301.62)	(446.65)
Finance Charges Paid (Net of Interest Capitalized)	(1,005.38)	(1,912.43)
Net Cash Used In Financing Activities (C)	1,607.62	(6,835.86)
Forex Fluctuation Difference arising out of Consolidation (D)	(166.86)	(359.28)
Net Increase in Cash and Cash Equivalents (A+B+C+D)	(466.40)	(575.66)
Cash & Cash Equivalents as at the beginning of the year	5,945.90	6,540.50
Add: Cash & Cash Equivalents on acquisition of subsidiary during the year	508.28	-
Less: Bank Deposits with Original Maturity over Three Months	41.01	59.88
Less: Unpaid Dividends Bank Accounts	35.91	32.45
	6,377.26	6,448.17
Loss on Reinstatement of Foreign Currency Cash & Cash Equivalents (Net)	6.57	10.10
Adjusted Cash & Cash Equivalents as at the beginning of the year	6,370.69	6,438.07
Cash & Cash Equivalents as at the end of the year	5,941.99	5,945.90
Less: Bank Deposits with Original Maturity over Three Months	0.01	41.01
Less: Unpaid Dividends Bank Accounts	42.05	35.91
	5,899.93	5,868.98
Loss on Reinstatement of Foreign Currency Cash & Cash Equivalents (Net)	(4.36)	6.57
Adjusted Cash & Cash Equivalents as at the end of the year	5,904.29	5,862.41

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

NEERAJ KANWAR
Vice Chairman &
Managing Director

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

M K ANANTHANARAYANAN
Partner

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

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 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, alloy wheels and two wheeler tyres.

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:

- (i) 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, 2016.
- (ii) 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.

- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) Goodwill arising on consolidation is not amortised but tested for impairment.

(vii) In respect of the foreign operations, the audited financial statements for the year ended March 31, 2016 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
				March 31, 2016	March 31, 2015	
Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	Subsidiary	Mauritius	Apollo Tyres Ltd	100%	100%	
Apollo Tyres (Greenfield) B.V.	Subsidiary	Netherlands	Apollo Tyres Ltd	100%	-	Note(a)
Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	Subsidiary	South Africa	APOLLO COOP	100%	100%	Note(b)
Apollo Tyres Africa (PTY) Ltd	Subsidiary	South Africa	ASHPL	100%	100%	
Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	Subsidiary	Cyprus	AMHPL	100%	100%	
Apollo Tyres AG (AT AG)	Subsidiary	Switzerland	APOLLO COOP	100%	100%	
Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	Subsidiary	Singapore	APOLLO COOP	100%	100%	
Apollo Tyres (Middle East) FZE (ATFZE)	Subsidiary	Dubai	APOLLO COOP	100%	100%	
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%	100%	
Apollo Tyres (U.K.) Pvt Ltd (ATUK)	Subsidiary	United Kingdom	APOLLO COOP	100%	100%	
Apollo Tyres (London) Pvt Ltd	Subsidiary	United Kingdom	ATUK	100%	100%	Note(c)
Apollo Vredestein B.V. (AVBV)	Subsidiary	Netherlands	ATBV	100%	100%	
Apollo Vredestein GmbH (AV GmbH)	Subsidiary	Germany	AVBV	100%	100%	
Vredestein Marketing B.V. & Co. KG	Subsidiary	Germany	AV GmbH	100%	100%	
Vredestein Nordic 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%	

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
				March 31, 2016	March 31, 2015	
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 (AV Kft)	Subsidiary	Hungary	AVBV	100%	100%	
S.C. Vredestein R.O. Srl	Subsidiary	Romania	AV 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%	
Reifencom GmbH, Bielefeld	Subsidiary	Germany	APOLLO COOP	100%	-	Note(d)
Reifencom GmbH, Hannover	Subsidiary	Germany	Reifencom GmbH, Bielefeld	100%	-	Note(d)
Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover	Subsidiary	Germany	Reifencom GmbH, Bielefeld & 'Reifencom GmbH, Hannover	100%	-	Note(d)
Reifencom Tyre (Qingdao) Co., Ltd.	Subsidiary	China	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover	100%	-	Note(d)
Apollo Tyres (Malaysia) Sdn Bhd	Subsidiary	Malaysia	ATHS	100%	-	Note(e)
Apollo Tyres (Germany) GmbH	Subsidiary	Germany	APOLLO COOP	100%	-	Note(e)

Notes :

- (a) During the year, Apollo Tyres (Greenfield) Co. Operatief U.A. has been converted to Apollo Tyres (Greenfield) B.V
- (b) As a part of group restructuring exercise, entire share capital of Apollo (South Africa) Holdings (Pty) Ltd has been transferred by AMHPL to Apollo Coop.
- (c) Name changed from Apollo Tyres Propvest (U.K.) Pvt Ltd to Apollo Tyres (London) Pvt Ltd
- (d) Acquired on January 01, 2016.
- (e) Incorporated during the year.
- (x) Following associate based in South Africa has not been consolidated / accounted under the equity method but has been accounted for as investments under AS 13 Accounting for Investments in 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
				March 31, 2016	March 31, 2015	
Pressurite (Pty) Ltd	Associate	South Africa	Apollo (South Africa) Holdings (Pty.) Ltd.	28.00%	28.00%	Note(a)

- (a) 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 on March 31, 2016		For the year ended March 31, 2016	
		As a % of Consolidated Net Assets	₹ Million	As a % of Consolidated Profit or (Loss)	₹ Million
Parent Company					
1	Apollo Tyres Limited	64.65	39,964.06	78.00	8,524.63
Foreign Subsidiaries					
2	Apollo Tyres (Greenfield) B.V.	0.00	2.73	0.00	0.02
3	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	17.72	10,957.03	12.13	1,325.64
4	Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	0.26	161.66	0.04	4.67
Intermediate Subsidiary (Refer Note 1 below)					
5	Apollo Tyres Co-operatief U.A. (Apollo Coop)	161.31	99,722.10	34.59	3,781.20
Joint Venture					
6	PanAridus LLC	(0.20)	(124.99)	(0.29)	(31.68)
	Add/ (Less): Effect of intercompany adjustments/eliminations	(143.74)	(88,860.50)	(24.47)	(2,674.29)
	TOTAL	100.00	61,822.09	100.00	10,930.19

Note:

1. Apollo Tyres Co-operatief U.A. (Apollo Coop)

S.No	Name of the Entity	Net Assets	₹ Million
			Share in Profit or Loss
1	Apollo Tyres Co-operatief U.A. (Apollo Coop)	41,119.14	(22.18)
2	Apollo Tyres (Hungary) Kft	5,411.71	(824.77)
3	Apollo Tyres AG (ATAG)	172.88	(79.28)
4	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	336.54	31.85
5	Apollo Tyres (Middle East) FZE (ATFZE)	165.66	27.12
6	Apollo Tyres (Thailand) Limited	326.03	43.91
7	Apollo Tyres (Brazil) Ltda	7.39	(0.59)
8	Apollo Tyres Global R&D B.V.	550.29	175.43
9	Apollo Tyres B.V. (ATBV)	23,114.13	75.38
10	Apollo Tyres (U.K.) Pvt Ltd	1,801.65	40.39
11	Apollo Tyres (London) Pvt Ltd	997.20	-
12	Apollo Vredestein B.V. (AVBV)	19,924.04	2,062.32
13	Apollo Vredestein GmbH	4,359.72	181.35
14	Vredestein Marketing B.V. & Co. KG	(2,582.05)	270.02
15	Vredestein Nordic A.B.	31.76	(9.19)
16	Apollo Vredestein U.K. Limited	106.06	0.26
17	Apollo Vredestein SAS	192.10	37.77
18	Apollo Vredestein Belux	111.59	75.21
19	Apollo Vredestein Gesellschaft m.b.H.	13.64	0.24
20	Apollo Vredestein Schweiz AG	284.07	21.67
21	Apollo Vredestein Srl	44.77	(19.75)
22	Apollo Vredestein Iberica SA	332.30	33.64

₹ Million

S.No	Name of the Entity	Net Assets	Share in Profit or Loss
23	Apollo Vredestein Tires Inc.	(86.14)	(37.74)
24	Apollo Vredestein Kft	3.33	(1.16)
25	S.C. Vredestein R.O. Srl	-	-
26	Apollo Vredestein Opony Polska Sp. Zo.o.	124.96	(40.42)
27	Vredestein Norge A.S.	0.62	(0.05)
28	Vredestein Consulting B.V.	234.59	14.99
29	Finlo B.V.	(16.93)	-
30	Vredestein Marketing B.V.	1.88	-
31	Apollo Tyres (Germany) GmbH	48.63	3.35
32	Apollo Tyres (Malaysia) SDN. BHD	-	-
33	Reifencom GmbH, Bielefeld	165.67	(38.30)
34	Reifencom GmbH, Hannover	211.04	(67.42)
35	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover	120.18	12.36
36	Reifencom Tyre (Qingdao) Co., Ltd.	13.88	-
37	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	1,855.69	1,461.37
38	Apollo Tyres Africa (Pty) Ltd	224.08	353.42
TOTAL		99,722.10	3,781.20

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 26% 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 estimated useful life considered for the major assets are as under.

Assets Class	Estimated useful life (No. of Years)
Building	30-60
Plant & Machinery	10-25
Moulds	4-8
Material Handling Equipments	4-12
Computer Hardware	3-5
Computer Software	3-6
Motor Vehicles	4-10
Furniture & Fixtures	4-10
Office Equipment	4-10
Research & Development	6

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.

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. Royalty income is accounted on accrual basis based on the terms and conditions of the royalty agreement.

2.10 Fixed Assets (Tangible/ Intangible)

(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.

Intangible Fixed 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.

2.11 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.

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 carried individually at lower of cost and fair value.

2.14 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, 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, superannuation fund & employee state insurance scheme 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 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 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 Fixed 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 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.

2.23 Provision and Contingencies

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.

2.24 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 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.

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.

2.26 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 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

₹ Million

	As at March 31, 2016	As at March 31, 2015
(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
	750.00	750.00
(b) Issued, Subscribed, Called and Fully Paid Up		
Equity Shares of ₹ 1 each:		
509,024,770 (509,024,770) Equity Shares Outstanding	509.02	509.02
Add: Forfeited Shares: Nil (13,565 Nos.)#	-	0.07
	509.02	509.09

13,565 Shares which were forfeited in prior years of ₹ 0.07 Million have now been transferred to Capital Reserve.

(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, 2016		As at March 31, 2015	
	Number of Shares	Amount in ₹ Million	Number of Shares	Amount in ₹ Million
Opening Balance	509,024,770	509.02	504,024,770	504.02
Add: Shares allotted on conversion of Share Warrants	-	-	5,000,000	5.00
Closing Balance	509,024,770	509.02	509,024,770	509.02

(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, 2016		As at March 31, 2015	
		Number of Shares	%	Number of Shares	%
1	Neeraj Consultants Ltd.	42,508,142	8.35%	42,508,142	8.35%
2	Apollo Finance Ltd.	36,759,650	7.22%	36,759,650	7.22%
3	Sunrays Properties & Investment Co. Pvt. Ltd.	35,725,648	7.02%	35,725,648	7.02%
4	Constructive Finance Pvt. Ltd.	29,630,857	5.82%	29,630,857	5.82%

(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.

B 2 RESERVES AND SURPLUS

₹ Million

	As at March 31, 2016	As at March 31, 2015
(a) Capital Subsidy	25.50	25.50
(b) Capital Redemption Reserve	44.40	44.40
(c) Capital Reserve		
Forefeited Shares	0.07	-
Transfer from Share Forefeiture ₹ 1375/- (Nil)	-	-
	0.07	-
(c) Securities Premium Account		
As per last Balance Sheet	6,085.71	5,659.71
Add: Received during the year	-	426.00
	6,085.71	6,085.71
(d) Debenture Redemption Reserve		
As per last Balance Sheet	958.33	1,658.33
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	125.00	300.00
Less: Utilised during the year	708.33	1,000.00
	375.00	958.33
(e) Revaluation Reserve	31.22	31.22
(f) Share Forfeiture Nil (₹ 1375/-)	-	-
(g) General Reserve		
As per last Balance Sheet	10,001.43	9,001.43
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	1,000.00	1,000.00
	11,001.43	10,001.43
(h) Foreign Currency Translation Reserve		
As per last Balance Sheet	(2,138.14)	1,819.09
Less: Transfer to Surplus in Consolidated Statement of Profit and Loss	35.35	-
Add: Share of joint ventures - jointly controlled entities	(4.09)	(1.85)
Add: Effect Of Foreign Exchange rate variations during the year	1,816.76	(3,955.38)
Closing Balance	(360.82)	(2,138.14)
(i) Surplus in Consolidated Statement of Profit and Loss		
As per last Balance Sheet	34,905.43	26,917.21
Add: Transfer from Foreign Currency Translation Reserve	35.35	-
Add: Transfer from Debenture Redemption Reserve	708.33	1,000.00
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)	-	258.18
Less: Depreciation on componentisation of Fixed Assets as per the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax of ₹ 22.28 Million)	42.12	-
Add: Net Profit for the year	10,930.19	9,776.09
Balance available for Appropriation	46,537.18	37,435.12
Less: Appropriations made during the year		
General Reserve	1,000.00	1,000.00
Debenture Redemption Reserve	125.00	300.00
Proposed Dividend	1,018.05	1,018.05
Dividend Tax	283.57	207.25
Dividend for previous year	-	3.75
Dividend Tax on dividend for previous year	-	0.64
	2,426.62	2,529.69
Closing Balance	44,110.56	34,905.43
Total Reserves and Surplus	61,313.07	49,913.88

B 3 NON - CURRENT LIABILITIES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Long Term Borrowings		
Secured*		
(i) Debentures		
1,000 - 9.40 % Non Convertible Debentures of ₹ 1 Million each	1,000.00	1,000.00
(ii) Term Loans		
From Banks:		
External Commercial borrowings (ECB)	411.19	1,147.55
Other Foreign Currency Loans	2,862.57	-
From Others:		
International Finance Corporation - Loan A	451.37	677.06
International Finance Corporation - Loan B	199.57	399.14
Magyar Import-Export Bank Zrt	942.16	-
	1,593.10	1,076.20
(iii) Finance Lease - Deferred Payment Liabilities:		
Deferred Payment Credit I (Note C-19)	56.10	107.49
Deferred Payment Credit II (Note C-19)	7.64	8.15
Liability on asset acquired by Finance lease	165.13	-
	228.87	115.64
	6,095.73	3,339.39
Other Long Term Liabilities		
Security Deposits Received from Dealers	26.17	14.53
Security Deposits Received from Employees	50.49	54.61
Deferred Consideration Payable on acquisition of subsidiary (Note C- 8)	601.96	-
Lease Escalation	1.10	1.59
Share of joint ventures - jointly controlled entities	1.59	1.95
	681.31	72.68
Long Term Provisions		
Provision for Employee Benefits		
Pension Liability	972.80	854.85
Post Retirement Medical Benefits	116.17	129.20
Jubilee Benefits	178.64	129.08
Provision for Constructive Liability (Note C-14 (c))	69.55	78.43
Others	-	66.26
	1,337.16	1,257.82

* 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, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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 10-11-17	Refer Note A2 & B1 below
	1,000 - 10.15 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	1,000.00	10.15%	Bullet Repayment on 16-04-15	
	1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	-	-	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
Total Debentures		1,000.00	-	1,000.00	1,416.67			

External Commercial Borrowings From Banks:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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			
Bank 1	ECB II	-	56.12	56.13	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 III	-	-	134.85	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	
	ECB I	-	-	-	231.10	7-8%	Repayment in 4 equal annual installments of USD 5 Million started from 03-08-12	
Bank 3	ECB II	-	139.19	139.19	139.19	9-10%	Repayment in 4 equal annual installments of USD 3.125 Million started from 16-07-13	Refer Note A1 & B2 below
	ECB I	100.02	99.99	200.01	99.99	7-8%	Repayment in 3 equal annual installments in USD equivalent to ₹ 100 Million starting from 29-09-15	Refer Note A1 & B1 below
Bank 4	ECB II	144.16	144.11	288.27	144.11	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	167.01	162.10	329.10	162.10	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		411.19	601.51	1,147.55	1,158.44			

Other Foreign Currency Loans From Banks:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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			
Other Foreign Currency Loans	Bank 1	1,881.14	-	-	-	EURIBOR +2-3%	Repayment in 8 semi-annual installments starting from 11-Feb-2019	Refer Note C1 below
	Bank 2	942.16	-	-	-	1.85%	Repayment in 10 equal semi-annual installments of Euro 15 Million starting from 11-Feb-2019	Refer Note C1 below
	Bank 3	22.72	-	-	-	2.04%	Monthly payment till 30.08.2024	Secured by mortgage on land and building at Bielefeld, Germany
	Bank 4	16.55	-	-	-	4.25%	Monthly payment till 30.11.2019	Secured by mortgage on land and building at Cologne, Germany
Total Other Foreign Currency Borrowings		2,862.57	-	-	-			

Term Loans From Others:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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			
IFC	Loan A	451.37	225.69	677.06	225.69	9-10%	Repayment in 12 half-yearly installments of USD 2.50 Million each started from 17-06-13	Refer Note A1 & B2 below
	Loan B	199.57	199.57	399.14	199.57	9-10%	Repayment in 9 half-yearly installments of USD 2.22 Million each started from 16-12-13	Refer Note A1 & B2 below
Magyar Import-Export Bank Zrt	Loan I	942.16	-	-	-	1.85%	Repayment in 10 equal semi-annual installments of Euro 15 Million starting from 11-Feb-2019	Refer Note C1 below
Total Term Loans from Others		1,593.10	425.26	1,076.20	425.26			

Deferred Payment Credit:

Nature of Borrowing	Particulars	Amount outstanding as at March 31, 2016 (₹ Million)		Amount outstanding as at March 31, 2015 (₹ 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			
Others	Deferred Payment Credit I	56.10	51.39	107.49	47.84	7-8%	Repayment along with Interest in 240 consecutive monthly installments started from 15-05-07	Wind Mills purchased under the scheme.
	Deferred Payment Credit II	7.64	4.14	8.15	8.28	8-9%	Repayment along with Interest in 20 equal quarterly installments started from April, 2010	Engineering materials purchased under the scheme
	Liability on asset acquired by Finance lease	165.13	-	-	-	Average 5%-6%	Monthly repayments	Items of Plant & Machinery purchased under the lease
		228.87	55.53	115.64	56.12			

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.
Note C1	The facility is secured on the current & future fixed assets of the ATH Kft and AVBV. In addition, the facility is also secured by the pledge on : i) the share of ATH Kft; ii) rights and receivables of ATH Kft under project agreements; iii) Rights and receivables including insurance receivables, intercompany receivables and shareholder loans (other than trade receivables) of AVBV, ATBV and AHT Kft; and iv) bank accounts of ATBV and ATH Kft.

B 4 CURRENT LIABILITIES

	₹ Million	
	As at March 31, 2016	As at March 31, 2015
(a) Short Term Borrowings		
Loans repayable on demand from bank		
Secured		
Packing Credit*	319.51	362.40
Cash Credit*	2.55	1.16
Banks Overdraft#	3,621.57	-
Short Term Loan from Banks**	40.24	39.76
Unsecured		
Packing Credit	3,415.12	4,263.04
Share of joint ventures - jointly controlled entities	1.94	-
	7,400.93	4,666.36
(b) Dues to Micro Enterprises & Small Enterprises		
Accounts Payable - Raw Materials & Services	29.77	23.81
Accounts Payable on purchase of fixed assets	7.21	7.21
	36.98	31.02
(c) Other Trade Payables		
Acceptances	1,580.57	187.79
Accounts Payable - Raw Materials & Services	9,714.86	5,505.21
Freight, Port Charges, CHA Charges Payable	675.48	664.56
Expenses Payable	1,458.27	835.83
Employee Related Payables***	1,949.07	1,670.58
Payable to Related Parties (Note C-17)	40.80	31.67
Share of joint ventures - jointly controlled entities	38.75	7.02
	15,457.80	8,902.66
(d) Other Current Liabilities		
Current Maturities of Long-Term Debt****		
Secured		
Debentures		
1,250 - 11.50 % Non Convertible Debentures of ₹ 1 Million each	-	416.67
1000- 10.15% Non Convertible Debentures of ₹ 1 Million each	-	1,000.00
	-	1,416.67
Term Loan from Banks		
External Commercial borrowings (ECB)	601.51	1,158.44
Term Loan from Others		
International Finance Corporation - Loan A	225.69	225.69
International Finance Corporation - Loan B	199.57	199.57
	425.26	425.26
Finance Lease - Deferred Payment Liabilities (Note C-19)		
Deferred Payment Credit I	51.39	47.84
Deferred Payment Credit II	4.14	8.28
	55.53	56.12
	1,082.30	3,056.49

* Cash Credits 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.

Loans taken by Reifencor are secured by pledge of stock & receivables of Reifencor and loans taken by AVBV are secured by a charge on bank balance, inventories and receivables of AVBV. Further the loans obtained by Reifencor are also supported by corporate guarantee issued by Apollo Coop.

** Short Term Loan taken at LIBOR+4% p.a. secured by hypothecation of stocks lying in Jebel Ali Warehouse and a demand promissory note for USD 10 Million repayable within 120 days from the date of drawdown of each tranche.

*** Employee Related Payables includes commission on net profits payable to whole-time directors ₹ 685 Million (₹ 490 Million)

**** For nature of security on Current Maturities of Long Term Debts, Refer Note B 3(a).

	₹ Million			
	As at March 31, 2016		As at March 31, 2015	
Other Current Liabilities (Continued)				
Interest accrued but not due on borrowings		61.98		151.06
Unclaimed Dividends*		41.68		37.50
Interest payable to Micro Enterprises & Small Enterprises		10.58		10.58
Other Payables				
Accounts Payable on purchase of Fixed Assets	1,614.21		595.80	
Excise Duty on closing stock	236.51		288.15	
Payable to Related Parties (Note C-17)	21.64		43.15	
Statutory remittances (Contribution to PF & ESIC, VAT, CST, Custom Duty, Service tax and others)	1,491.22		1,609.01	
Export Obligations - Advance Licence Benefit	-		7.67	
Security Deposits - Vendors	247.66		287.85	
Security Deposits - Dealers / Employees	74.78		66.27	
Derivative Financial Liabilities	-		18.41	
Advance Received From Customers	481.53		302.79	
Lease Escalation	0.09		0.10	
Others	113.62	4,281.26	254.06	3,473.26
Gratuity Payable (Note C-12)		81.14		198.25
		4,476.64		3,870.65
		5,558.94		6,927.14
(e) Short Term Provisions				
Provision for Employee Benefits				
Provision for Compensated Absences		272.60		282.97
Social Premium Payable		690.95		529.64
		963.55		812.61
Others				
Provision for Contingencies (Note C-14(b))		425.00		425.00
Proposed Dividend on Equity Shares		1,018.05		1,018.05
Dividend Tax		207.25		207.25
Provision for Taxation	14,319.65		11,366.86	
Less: MAT Credit Adjusted	-		450.13	
Less: Advance Tax	13,067.18	1,252.47	10,315.38	601.35
Provision for Wealth Tax		7.00		7.00
Provision for Sales related obligations (Note C- 14(a))		2,563.08		2,159.01
Provision for Estimated Loss on Forward Foreign Exchange Contracts (Note C-16)		134.50		150.49
Deferred Revenue		91.20		55.08
Provision for Constructive Liability (Note C- 14(c))		31.00		29.91
		5,729.55		4,653.14
		6,693.10		5,465.75

* Includes ₹ 4.36 Million (₹ 3.60 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, 2016

Description of Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at March 31, 2015	Additions	Additions on Business Combination	Exchange rate Adjustment (f)	As at March 31, 2016	Additions	Deductions/ Adjustments on Business Combination	Transition adjustment recorded against surplus in Statement of Profit & Loss	As at March 31, 2016	As at March 31, 2015
A Tangible Assets- Owned unless otherwise stated										
Land										
Freehold Land	1,603.77	5.50	29.50	165.39	2,417.85	-	-	-	-	1,603.77
Leasehold Land*	172.19	17.45	-	-	189.64	14.29	1.97	-	16.26	157.90
						(a)				
Buildings- own use	12,358.18	414.05	84.93	234.84	11,961.55	3,983.58	420.45	158.38	4,460.69	8,374.60
		(b)								(d)
Plant & Machinery**	69,285.68	2,370.05	551.76	3,241.88	72,748.72	39,823.89	2,824.25	1,736.04	43,963.24	29,461.79
		(b)								
Electrical Installation	1,468.87	80.34	-	3.21	0.02	1,546.02	655.11	151.69	-	813.76
		(b)								
Furniture & Fixtures	1,731.54	152.42	45.35	(122.08)	57.72	2,109.11	1,065.57	167.41	35.33	665.97
		(b)								
Office Equipments	167.03	10.45	637.47	2.53	38.96	851.38	40.48	30.93	482.78	126.55
Vehicles	756.69	138.07	12.51	107.63	22.61	822.25	416.27	121.57	6.15	310.08
	87,543.95	3,188.33	1,361.52	3,208.70	3,761.42	92,646.52	45,999.19	3,718.27	987.60	41,544.76
Share of joint ventures - jointly controlled entities	23.92	0.93	-	-	2.15	27.00	9.66	4.51	-	14.26
Total Tangible Assets	87,567.87	3,189.26	1,361.52	3,208.70	3,763.57	92,673.52	46,008.85	3,722.78	987.60	41,559.02
		(c)								
B Intangible Assets										
Computer Software	1,002.84	528.42	671.84	(195.83)	105.47	2,504.40	801.00	253.09	348.43	201.84
		(b)								
Trademarks	51.35	5.75	-	4.10	5.86	58.86	46.21	0.20	-	5.14
Research & Development	1,999.17	584.58	-	-	235.98	2,819.73	1,109.82	207.30	126.29	889.35
		(b)								
Total Intangible Assets	3,053.36	1,118.75	671.84	(191.73)	347.31	5,382.99	1,957.03	460.59	348.43	1,096.33
		(c)								
Particulars										
Depreciation and amortisation for the period on tangible assets										
Depreciation and amortisation for the period on intangible assets										
Depreciation / diminution in value of Assets Held for Sale										
Depreciation charged to P&L									4,238.89	3,882.88

B 5 FIXED ASSETS

As at March 31, 2015

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK				
	As at March 31, 2014	Additions	Deductions	Exchange rate Adjustment (f)	As at March 31, 2015	As at March 31, 2014	Additions	Deductions/ Adjustments	Transition adjustment recorded against surplus in Statement of Profit & Loss	Exchange rate Adjustment (f)	As at March 31, 2015	As at March 31, 2014
₹ Million												
TANGIBLE ASSETS- owned unless otherwise stated												
Land												
Freehold Land**	1,541.12	329.50	-	(266.85)	1,603.77	-	-	-	-	-	1,603.77	1,541.12
Leasehold Land*	396.68	-	229.41	4.92	172.19	236.84	1.94	229.41	-	4.92	14.29	159.84
							(a)					
Buildings- own use**	11,976.36	1,232.13	33.35	(816.96)	12,358.18	3,682.48	588.54	8.77	129.69	(408.36)	3,983.58	8,374.60
		(b)									(d)	8,293.88
Plant & Machinery**	73,607.31	2,167.79	88.31	(6,401.11)	69,285.68	42,362.10	2,558.34	73.29	107.16	(5,130.42)	39,823.89	29,461.79
		(b)	(e)									31,245.21
Electrical Installation	1,419.29	49.62	-	(0.04)	1,468.87	444.20	156.74	-	54.21	(0.04)	655.11	813.76
		(b)										975.09
Furniture & Fixtures**	1,740.97	115.58	27.50	(97.51)	1,731.54	928.28	140.61	33.93	97.28	(66.67)	1,065.57	665.97
		(b)										812.69
Office Equipments	190.42	3.28	0.38	(26.29)	167.03	37.59	7.10	0.35	-	(3.86)	40.48	126.55
Vehicles**	705.00	177.89	83.51	(42.69)	756.69	367.21	133.16	37.84	2.78	(49.04)	416.27	337.79
Plantation Development	59.68	-	61.00	1.32	-	59.68	-	61.00	-	1.32	-	-
	91,636.83	4,075.79	523.46	(7,645.21)	87,543.95	48,118.38	3,586.43	444.59	391.12	(5,652.15)	45,999.19	41,544.76
												43,518.45
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	91,660.88	4,080.41	523.46	(7,649.96)	87,567.87	48,125.82	3,590.44	444.59	391.12	(5,653.94)	46,008.85	41,559.02
		(c)										43,535.06

B 5 FIXED ASSETS

As at March 31, 2015

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at March 31, 2014	Additions	Deductions	Exchange rate Adjustment (f)	As at March 31, 2015	As at March 31, 2014	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	201.84
		(b)						291.61
Trademarks	55.13	5.54	-	(9.32)	51.35	45.55	-	5.14
Research & Development	1,833.11	552.99	-	(386.93)	1,999.17	1,147.50	184.63	889.35
		(b)						685.61
Total Intangible Assets	2,987.51	582.52	2.80	(513.87)	3,053.36	2,000.71	284.34	1,957.03
		(c)						1,096.33
								986.80

* Leasehold Land is Net of ₹ 5.39 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 Nil (₹ 2,198.19 Million), Nil (₹ 115.44 Million), Nil (₹ 365.80 Million), Nil (₹ 68.23 Million) & Nil (₹ 2.03 Million) and a Net Book Value of Nil (₹ 824.10 Million), Nil (₹ 115.44 Million), Nil (₹ 200.65 Million), Nil (₹ 11.39 Million) & Nil (₹ 0.19 Million) respectively. Plant & Machinery includes Jointly Owned Assets with a Gross Book Value of ₹ 311.28 Million (₹ 254.87 Million) and a Net Book Value of ₹ 275.76 Million (₹ 231.21 Million) which represents 50% ownership in the asset.

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 ₹ 216.83 Million (₹ 233.61 Million)

(a) Represents proportionate lease premium ₹ 1.97 Million (₹ 1.94 Million) amortized.

(b) Buildings include ₹ 174.33 Million (₹ 90.26 Million), Plant & Machinery includes ₹ 114.89 Million (₹ 66.43 Million), Electrical Installations include ₹ 30.48 Million (₹ 2.79 Million), Furniture & Fittings include ₹ 41.30 Million (₹ 8.03 Million), Computer Software include ₹ 9.04 Million (Nil) and Research & Development includes ₹ 584.58 Million (₹ 552.99 Million) for capital expenditure on Research & Development (Note C-9).

(c) Includes directly attributable expenses capitalized to the extent of ₹ 35.03 Million (₹ 27.65 Million) (Note C-11).

(d) Buildings include Buildings constructed on Leasehold Land with a Gross Book Value of ₹ 6,974.19 Million (₹ 6,782.11 Million) and Net Book Value of ₹ 5,076.62 Million (₹ 5,213.50 Million)

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

(f) Represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening and closing conversion rates.

(g) Capital Work-in-Progress includes land of ₹ 10.69 Million (₹ 10.69 Million) acquired by the company & is in the process of getting the title deeds transferred to its name.

B 6 NON CURRENT INVESTMENTS (AT COST)

₹ Million

	As at March 31, 2016	As at March 31, 2015
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)*		
312,000 (312,000) Equity Shares of ₹ 10 each in Green Infra Wind Power Projects - Fully paid up	3.12	3.12
Nil (5,500) Equity Shares of ₹ 10 each in Suryadev Alloys And Power Pvt Ltd. - Fully Paid up	-	0.59
620,000 (Nil) Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Pvt. Ltd.- Fully paid up	0.12	-
207,000 (Nil) Equity Shares of ₹ 10 each in NSL Wind Power Company- Fully paid up.	2.07	-
12,500 (Nil) Equity Shares of ₹ 10 each in Trishul Electric & Powergen Co.- Fully paid up.	0.12	-
Other Non Current Investments (Non Trade)		
(a) Investment in Mutual Funds**		
Units of "UTI Balanced Fund - Dividend Plan - Reinvestment" *** (Face Value of ₹ 10/- each)	2.97	2.60
(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
	9.26	7.17
* Aggregate amount of quoted investments	0.36	0.36
Aggregate market value of listed and quoted investments	1.05	1.19
Aggregate amount of unquoted Investments	8.90	6.81
** No. of units at the beginning of the year - 179,562 (161,826)	2.60	2.10
Add: Reinvestment of dividend during the year - 13,462 (17,736)	0.37	0.50
No. of units at the end of the year - 193,024 (179,562)	2.97	2.60
*** Repurchase price of units	5.11	5.23

B 7 LONG TERM LOANS & ADVANCES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Long-Term Loans & Advances		
Unsecured, Considered Good		
Capital Advances - Others	6,070.30	628.21
Capital Advances to Related Parties (Note C-17)	75.37	79.60
Doubtful Capital Advances	134.18	134.18
Less: Provision for Doubtful Advances	134.18	134.18
	6,145.67	707.81
Security Deposits	759.68	763.69
Security Deposits to Related Parties (Note C-17)	518.01	418.01
Employee Advances - Salary Loan	21.50	15.05
Other Loans and Advances - Excise Duty Recoverable	2.58	2.57
Share of joint ventures - jointly controlled entities	0.18	0.24

B 7 LONG TERM LOANS & ADVANCES (CONTD.)

₹ Million

	As at March 31, 2016	As at March 31, 2015
	7,447.62	1,907.37
Includes Advances given to Related Parties		
Firms/ Private Companies in which any director is a director or member :		
Sunlife Trade Links Pvt. Ltd.	5.86	5.86
Landmark Farms & Housing Pvt. Ltd.	6.00	6.00
Regent Properties	5.40	5.40
Milers Global Pvt. Ltd.	0.75	0.75
	18.01	18.01

B 8 Other Non-Current Assets

Investment promotion Subsidy Receivable from Government of Tamil Nadu	-	360.18
	-	360.18

B 9 Current Investments
Non Trade Investments (At lower of cost and fair value)

Investment in Mutual Funds*	1,216.35	1,000.00
	1,216.35	1,000.00

* FY 2015-16	No. of Units	Value (₹ Million)	NAV
SBI	78,005	200.00	2,563.94
Reliance	59,449,817	1,016.35	17.10
	59,527,822	1,216.35	

FY 2014-15	No. of Units	Value (₹ Million)	NAV
SBI	20,000,000	200.00	10.83
ICICI	25,000,000	250.00	10.83
Reliance	5,000,000	50.00	10.80
Birla (Scheme1)	25,000,000	250.00	10.84
Birla (Scheme 2)	25,000,000	250.00	10.83
	100,000,000	1000.00	

B 10 CURRENT ASSETS

₹ Million

	As at March 31, 2016	As at March 31, 2015
(a) Inventories		
(At lower of cost and net realizable value)		
(i) Raw Materials		
In Hand	2,866.46	3,514.72
In Transit	583.24	94.76
	3,449.70	3,609.48
(ii) Work-in-Progress #	1,023.51	936.04
(iii) Finished Goods		
In Hand	9,454.03	9,077.42
In Transit	1,098.97	1,151.57
	10,553.00	10,228.99

Work in Progress consists of Automotive Tyres only.

B 10 CURRENT ASSETS (CONTD.)

₹ Million

	As at March 31, 2016	As at March 31, 2015
(iv) Bought Out Material / Stock in Trade		
In Hand	2,924.10	1,615.40
In Transit	15.45	65.47
	2,939.55	1,680.87
(v) Stores and Spares	1,488.55	1,326.68
	19,454.31	17,782.06
(b) Trade Receivables - Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment:		
Considered Good	0.87	1.12
Considered Doubtful	413.57	337.63
Others - Considered Good (Note C17) *	10,842.61	9,588.31
	11,257.05	9,927.06
Less: Provision for Doubtful Trade Receivables	413.57	337.63
	10,843.48	9,589.43
* Trade Receivables include due from Related Parties :		
Private Companies in which any director is a director or member		
Apollo International LLC, Dubai	1.27	105.60
(c) Cash and Cash Equivalents **		
(i) Cash on hand	5.01	4.02
(ii) Cheques on hand / Remittances in Transit	1,136.87	1,633.19
(iii) Balances with Banks:		
Current Accounts	3,958.05	4,035.61
Other Deposit Accounts		
- Original Maturity 3 months or less	800.00	196.16
(iv) Other Bank Balances:		
Unpaid Dividend Accounts	42.05	35.91
Unclaimed Deposits Accounts	-	1.07
Deposits with Maturity exceeding 3 Months***	0.01	39.94
	5,941.99	5,945.90

** 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 ₹ 5,899.93 Million (₹ 5,868.98 Million).

*** Includes Deposit of ₹ Nil (₹ 37.97 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 ₹ 0.01 Million (₹1.97 Million) which have an original maturity of more than 12 months.

B 11 SHORT TERM LOANS & ADVANCES

₹ Million

	As at March 31, 2016	As at March 31, 2015
Short-Term Loans & Advances		
Unsecured, Considered Good		
Advances given to Related Parties (Note C-17)	87.97	45.68
Fixed deposits with financial institutions	3,806.86	-
Others		
Trade Advances	441.43	723.71
Employee Advances	149.96	129.61

B 11 SHORT TERM LOANS & ADVANCES (CONTD.)

₹ Million

	As at March 31, 2016	As at March 31, 2015
CENVAT Recoverable	185.37	102.93
VAT Recoverable	1,054.54	709.75
Service Tax Recoverable	116.59	91.05
Export Incentives Recoverable	187.35	167.87
Prepaid Expenses	508.47	233.97
Security Deposits Current	12.02	6.09
Advance Licence Benefit	193.49	-
Others	142.32	323.97
	6,886.37	2,534.63
Considered Doubtful	20.56	20.56
	6,906.93	2,555.19
Less: Provision for Doubtful Advances	20.56	20.56
	6,886.37	2,534.63
MAT Credit Entitlement availed	-	450.13
Less: MAT Credit utilised	-	(450.13)
	6,886.37	2,534.63
Advances given to Related Parties		
Private Companies in which any director is a director or member		
Bespoke Tours & Travels Ltd.	6.01	-
Apollo Fiege Integrated Logistics Ltd.	-	0.49
	6.01	0.49

B 12 OTHER CURRENT ASSETS

₹ Million

	As at March 31, 2016	As at March 31, 2015
Investment promotion Subsidy Receivable from Government of Tamil Nadu	536.21	375.00
Assets held for sale	475.93	492.55
Interest accrued on Deposits	75.81	0.96
	1,087.95	868.51

B 13 OTHER OPERATING INCOME

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Investment promotion Subsidy from Government of Tamil Nadu (Note C-4)	536.21	521.04
Sale of scrap	273.95	301.77
Early Payment Discount Received from Raw Material Suppliers	42.12	74.45
	852.28	897.26

B 14 OTHER INCOME

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Interest earned on Deposits		
- Bank	116.66	101.75
- Others	50.18	13.85
	166.84	115.60
(b) Dividend Income from Long Term Investments		
Bharat Gears Ltd	-	0.02

B 14 OTHER INCOME (CONTD.)

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Unit Trust of India	0.37	0.50
	0.37	0.52
(c) Dividend Income from Current Investments		
Mutual Funds	162.40	25.78
(d) Other Non-Operating Income		
Unclaimed Credit Balances / Provisions no longer required written back	3.24	20.00
Profit on Sale of Investments	0.25	-
Technical Aid Fees	-	9.25
Gain on Foreign Exchange Fluctuation (Net)	146.71	111.01
Miscellaneous Receipts	220.57	255.83
	370.77	396.09
	700.38	537.99

B 15 MANUFACTURING AND OTHER EXPENSES

₹ Million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Cost of Materials Consumed		
Raw Materials Consumed	53,628.60	64,188.49
Purchase of Stock-in-Trade		
Purchase of Finished Goods - Tyres, Tubes & Flaps	6,057.54	5,932.13
Employee Benefit Expenses		
Salaries and Wages	12,685.15	12,742.44
Contribution to Provident and Other Funds ⁴	2,148.33	2,250.98
Staff welfare expenses	1,010.05	1,084.18
Employees Stock Appreciation Rights	3.59	3.58
Add: Share in Joint Venture	22.48	24.97
	15,869.60	16,106.15
Other Expenses		
Consumption of stores and spare parts ¹	1,118.88	1,155.77
Power and Fuel ²	3,290.01	3,513.54
Conversion Charges	1,103.04	1,053.25
Repairs and Maintenance		
- Machinery	431.86	656.55
- Buildings	22.11	34.57
- Others	945.06	759.23
Rent ³	354.36	303.12
Lease Rent - Factory / Service Charges	1,300.85	1,179.51
Insurance	198.98	184.27
Rates and Taxes	214.35	197.12
Directors' Sitting Fees	8.04	7.58
Commission to Non-Wholetime Directors	50.00	50.00
Loss on Sale of Tangible Fixed Assets (Net)	23.91	23.86

B 15 MANUFACTURING AND OTHER EXPENSES (CONTD.)

	₹ Million	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Travelling, Conveyance and Vehicle Expenses	1,417.68	1,376.69
Postage, Telex, Telephone and Stationery	263.53	231.33
Conference Expenses	104.57	302.05
Freight and Forwarding	4,191.74	4,355.79
Commission on Sales	36.42	60.83
Sales Promotion Expenses	805.02	1,069.03
Advertisement and Publicity	2,824.50	2,034.61
Corporate Social Responsibility Expenses ⁵	129.57	57.37
Research and Development (Note C-9)	2,239.77	1,746.38
Bank Charges	84.38	61.00
Statutory Auditors Remuneration (Note C-10)	54.21	57.05
Doubtful Receivables / Advances Written off	86.84	40.20
Legal and Professional Expenses	1,081.23	889.44
Miscellaneous Expenses	324.99	554.82
Share of joint ventures - jointly controlled entities	38.03	32.95
	22,743.93	21,987.91
	98,299.67	108,214.67

Notes:

1 Stores & Spares Consumed includes stores issued for repairs ₹ 2.12 Million (₹ 2.63 Million).

2 Power and Fuel includes Stores Consumed ₹ 490.18 Million (₹ 523.11 Million).

3 Net of Rent Received ₹ 9.45 Million (₹ 1.45 Million).

4 Net of Cross-Charge ₹ 1.98 Million (₹ 1.08 Million).

5 Corporate Social Responsibility Expenses includes ₹ Nil (₹ 0.55 Million) available with the implementation partner to be deployed in due course.

B 16 FINANCE COSTS

	₹ Million	
	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Interest Expense		
Interest on Fixed-Term Loans	301.38	524.67
Interest on Debentures	138.73	536.79
Interest on Other Loans	467.91	711.33
(b) Other Borrowing Costs	5.09	55.06
Share of joint ventures - jointly controlled entities	2.44	0.05
	915.55	1,827.90

C. Other Notes on Accounts

1 CONTINGENT LIABILITIES

		₹ Million
Particulars	2015-16	2014-15
Sales Tax	40.05	76.17
Income Tax #	392.90	451.30
Claims against the company not acknowledged as debts		
- Employee Related	58.18	48.64
- Others	56.13	92.32
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
Excise Duty*	137.61	57.93

* 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

		₹ Million
Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account & not provided for	32,560.33	32,864.67
TOTAL	32,560.33	32,864.67

- 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, inter alia, 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 ₹ 536.21 Million (₹ 521.04 Million) as other operating income (Note B13), being the eligible amount of refund of Net Output VAT + CST paid by the Company to GoTN.

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 Nil (₹ 22.50 Million) on fulfilling the eligibility conditions which has been credited to capital subsidy disclosed under Reserves & Surplus.

6 EXCEPTIONAL ITEMS

Exceptional item during the year represents profit on sale of property by the Company's wholly owned subsidiary, Apollo Tyres Africa (Pty) Limited.

During the previous year, Apollo Tyres Africa (Pty) Limited, a subsidiary operating in South Africa had undertaken the following activities in connection with its restructuring process which resulted in exceptional item of ₹ 824.90 million:

- a) Entire liability of all dues to bankers, external suppliers and a separate retrenchment agreement for employees' due of ₹ 751.73 Million under the Rescue Plan had been fully discharged.
- b) Disposed off its investment in UK ATL Holdings Limited and recorded a profit of ₹ 143.86 Million. In addition, the Company had agreed not to have any claim against receivables from one of its subsidiary Apollo Tyres Zimbabwe and had, accordingly, written off debts amounting to ₹ 140.43 Million.
- c) Evaluated marketability of inventory and wrote off inventory worth ₹76.60 Million in the books.

- 7 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2015, the company has adopted componentisation of fixed assets to align with the conditions specified in schedule II.

Pursuant to the conditions specified in Schedule II to the Companies Act, 2013, the company has done the componentisation of fixed assets and has fully depreciated the carrying value of the component, net of residual value, where the remaining useful life of that component is determined to be nil as on April 1, 2015 and has adjusted an amount of ₹ 42.12 Million (net of deferred tax of ₹ 22.28 Million) against the surplus balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Consolidated Statement of Profit and Loss for the year has increased by ₹ 220.66 Million consequent to the change in the useful life of the assets due to componentisation.

- 7A The Board of Directors of the Company at its meeting held on October 30, 2015 had approved the Amalgamation/Merger of Apollo (Mauritius) Holdings Pvt Ltd, wholly owned subsidiary, with the Company, subject to necessary approvals. The Appointed date of the amalgamation is April 1, 2016. The first motion for the approval of Scheme of Amalgamation has been filed with the Hon'ble High Court of Kerala on April 8, 2016.

- 8 The company acquired 100% shareholding of Reifencom GmbH, one of the largest tyre distributor in Germany on 1st January, 2016. Deferred consideration payable on acquisition of subsidiary, payable to erstwhile members of Reifencom GmbH, has been considered as a part of purchase consideration for computation of goodwill.

Goodwill on Consolidation

Particulars	₹ Million	
	As at March 31, 2016	As at March 31, 2015
Opening Balance	1,165.13	1,375.62
Add: On acquisition of subsidiaries during the year	3,302.68	-
Add/ less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	243.59	(210.49)
TOTAL	4,711.40	1,165.13

Effect of acquisition of subsidiaries on the financial position and results as included in the Consolidated Financial Statement is given below:

Particulars	₹ Million	
	As at	As at
	March 31, 2016	March 31, 2015
	Acquisition	Acquisition
Liabilities as at (date of acquisition)		
Non-current liabilities	267.90	-
Current liabilities	2,827.76	-
Assets as at (date of acquisition)		
Non-current assets	906.75	-
Current assets	2,355.98	-
Revenue for the period ended (including other income)	1,706.90	-
Expenses for the period ended	1,859.65	-
Loss before tax for the period ended	(152.75)	-
Loss after tax for the period ended	(101.72)	-

9 RESEARCH AND DEVELOPMENT COMPRISES THE FOLLOWING

Particulars	₹ Million	
	2015-16	2014-15
(A) Revenue Expenditure		
Materials	34.41	84.86
Employee Benefit Expenses	1,144.26	903.51
Travelling Expenses	133.56	85.21
Others	927.54	672.80
SUB - TOTAL	2,239.77	1,746.38
(B) Capital Expenditure	954.62	720.50
TOTAL (A+B)	3,194.39	2,466.88

10 STATUTORY AUDITORS' REMUNERATION

Particulars	₹ Million	
	2015-16	2014-15
For Audit	45.51	50.20
For Company Law matters	0.40	0.40
For Other Services	4.25	2.60
For Quarterly Review and Certification	4.05	3.85
TOTAL	54.21	57.05

11 DIRECTLY ATTRIBUTABLE EXPENSES CAPITALISED / INCLUDED IN CAPITAL WORK IN PROGRESS DURING THE YEAR

₹ Million		
Particulars	2015-16	2014-15
Raw Material Consumed	-	10.76
Salaries, Wages and Bonus	16.98	3.35
Welfare Expenses	9.29	4.94
Rent	1.40	1.45
Travelling, Conveyance and Vehicle expenses	2.40	4.04
Postage, Telephone and Stationery	0.21	0.20
Power and Fuel	2.31	1.64
Insurance Expenses	4.19	-
Legal & Professional Expenses	0.84	0.55
Miscellaneous Expenses	1.60	0.72
TOTAL*	39.22	27.65

*Out of the above ₹ 4.19 Million (Nil) is included in Capital Work in Progress as on March 31, 2016

12 EMPLOYEE BENEFITS

A. Indian Operations

Defined Contribution Plans:

- 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 ₹ 62.58 Million (₹ 59.83 Million).
- 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 ₹ 210.59 Million (₹ 215.96 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**

₹ Million

Particulars	2015-16	2014-15
Current service cost	62.51	56.39
Interest cost on benefit obligation	68.22	61.01
Expected return on plan assets	(55.33)	(57.95)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial (gain) / loss recognized in the year	(7.43)	138.80
Expense recognized in the Consolidated Statement of Profit and Loss	67.97	198.25

Actual Contribution and Benefit payments for the year

₹ Million

Particulars	2015-16	2014-15
Actual Contributions	187.32	48.72
Actual Benefit Payments	(82.53)	(82.66)

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

₹ Million

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligation at the end of the year	895.72	852.80	681.75	646.17	603.76
Fair value of plan assets at the end of the year	814.58	654.55	633.32	600.99	527.65
Asset/(Liability) recognized in the consolidated balance sheet	(81.14)	(198.25)	(48.43)	(45.18)	(76.11)
Experience Adjustment of obligation - (Gain) / Loss	(5.28)	75.99	30.02	9.36	42.04
Experience Adjustment of plan assets - Gain / (Loss)	(2.43)	(1.85)	(3.84)	0.31	1.75

Changes in the present value of the defined benefit obligation are as follows:

₹ Million

Particulars	2015-16	2014-15
Present value of obligations as at the beginning of the year	852.80	681.75
Interest cost	68.22	61.02
Current service cost	62.51	56.39
Benefits paid	(82.53)	(82.67)
Actuarial (gain) / loss on obligation	(5.28)	136.31
Present value of obligations as at the end of the year	895.72	852.80

Changes in the fair value of plan assets are as follows:

₹ Million

Particulars	2015-16	2014-15
Fair value of plan assets at beginning of the year	654.83	633.32
Expected return on plan assets	55.33	57.95
Contributions	184.80	48.72
Benefits paid	(82.53)	(82.67)
Actuarial (gain) / loss on plan assets	2.15	(2.49)
Fair value of plan assets as at the end of the year	814.58	654.83

The Group's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not available with the Company.

Principal actuarial assumptions for Gratuity:

Particulars	2015-16	2014-15
	Rate (%)	Rate (%)
a) Discount rate	8.00	8.00
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	8.45	9.15

* 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 ₹ 83.69 Million (₹ 98.72 Million).

Demographic Assumptions for Gratuity:

Particulars	2015-16	2014-15
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-2008)	IALM (2006-2008)
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	2015-16	2014-15
	Rate (%)	Rate (%)
a) Discount rate	8.00	8.00
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	2015-16	2014-15
a) Retirement Age (Years)	58	58
b) Mortality Table	IALM (2006-2008)	IALM (2006-2008)
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 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 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:

	As at March 31, 2016			As at March 31, 2015		
	01.04.2010	01.04.2011	01.04.2012	01.04.2010	01.04.2011	01.04.2012
Date of Grant	-	197,500	75,000	-	291,250	75,000
Phantom Stock Units Outstanding	-	197,500	75,000	-	291,250	75,000
Phantom Stock Units exercised	1,200,000	702,500	-	1,200,000	608,750	-
Exercise Price of Share (₹)	-	50.00	50.00	-	50.00	50.00
Market Price of Share (₹)	-	174.90	174.90	-	168.25	168.25
Fair Value of Share (₹)	-	130.21	129.71	-	126.77	125.76
Amount charged to Consolidated Statement of Profit & Loss (Included in Note - B 15 - Employee Benefits Expense)	-	₹ 2.54 Million	₹ 1.05 Million	-	₹ 3.09 Million	₹ 0.49 Million
Liability as on 31.03.2016 (Included in Note - B 4 (Trade Payables))	-	₹ 35.22 Million	₹ 9.37 Million	-	₹ 37.74 Million	₹ 8.31 Million

Phantom Stock outstanding units summary sheet is as follows -

Particulars	2015-16	2014-15	2013-14
Opening Phantom Stock Units	366,250	927,500	1,486,250
Number of Units issued during the year	-	-	-
Number of Units Vested during the year	93,750	561,250	558,750
Closing Phantom Stock units	272,500	366,250	927,500

The details of Variables used for Fair Valuation are given in the table below:

Grant date	April 1, 2010
Remeasurement date	Vest1 Vest 2 Vest 3 Vest 4
March 31, 2016	April 1, 2011 April 1, 2012 April 1, 2013 April 1, 2014
Variables	
Stock Price (₹)	The options from Vest 1, Vest 2, Vest 3 & Vest 4 have been completely exercised
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, 2016	April 1, 2012	April 1, 2013	April 1, 2014	April 1, 2015	
Variables	The Options from Vest 1, Vest 2 & Vest 3 have been completely exercised				
Stock Price (₹)					174.90
Volatility					45.38%
Riskfree Rate					7.26%
Exercise Price (₹)					50.00
Time To Maturity (In Years)					3.00
Dividend yield					1.02%
Fair Value per vest (₹)	130.21				
Vesting Percentage	100%				
Option Fair Value	130.21				

Grant date	April 1, 2012			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
March 31, 2016	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Variables				
Stock Price (₹)	174.90	174.90	174.90	174.90
Volatility	43.31%	42.74%	45.38%	46.82%
Riskfree Rate	7.10%	7.18%	7.26%	7.32%
Exercise Price (₹)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	2.00	2.50	3.00	3.50
Dividend yield	1.02%	1.02%	1.02%	1.02%
Fair Value per vest (₹)	128.20	129.08	130.21	131.33
Vesting Percentage	25%	25%	25%	25%
Option Fair Value	129.71			

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:

	₹ Million	
Particulars	2015-16	2014-15
Impact on Net Profit (₹ Million)		
Net Profit (As reported)	10,930.19	9,776.09
Add:- Cash based employee compensation expense included in net profit	3.59	3.58
Less:- Cash based compensation expense determined under fair value based method (Proforma)	1.99	49.02
Net Profit (Proforma)	10,931.79	9,730.65
Impact on Earnings per Share (₹)		
Basic		
Basic Earnings per Share of ₹ 1 Each (As reported)	21.47	19.25
Basic Earnings per Share of ₹ 1 Each (Proforma)	21.48	19.16
Diluted		
Diluted Earnings per Share of ₹ 1 Each (As reported)	21.47	19.23
Diluted Earnings per Share of ₹ 1 Each (Proforma)	21.48	19.14

B. South Africa Operations**Apollo Tyres Africa (Pty) Ltd**

Post-employment medical obligation

The Group's liability in respect of the post-employment medical obligation has been actuarially valued at **₹ 116.17 Million** (₹ 129.20 Million) at December 31, 2015. The actuarial valuation performed has been based on the following assumptions:

- a) a health care cost inflation rate of **9.00 % p.a.** (7.60% p.a)
- b) a discount rate of **10.1 % p.a.** (8.6% p.a)

	₹ Million	
Particulars	2015-16	2014-15
Opening Balance	129.20	141.01
Interest cost recognized in income statement in current period	10.14	8.47
Health care cost inflation	-	-
Benefit payments	(13.42)	(10.57)
Actuarial loss / (gain) recognized in consolidated statement of profit and loss in current period	8.88	2.16
Miscellaneous (including basis and data changes)	(18.63)	(11.87)
Closing balance	116.17	129.20

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 **₹ 3.84/₹ 4.18 Million** (₹ 4.67/₹ 5.08 Million) from the reported level of **₹ 116.17 Million** (₹ 129.20 Million). Similarly for every 1% increase/decrease in medical aid inflation, relative to investment returns, the liability is calculated to increase/decrease by **₹ 7.25/₹ 6.83 Million** (₹ 8.82/₹ 8.30 Million).

C. European Operations

Apollo Tyres Cooperatief U.A. has as at March 31, 2016 two defined benefit plan. The pension liability as recorded in the consolidated balance sheet relates to the defined benefit plan of Apollo Vredestein GmbH and Reifencom GmbH and the contributions related to the defined contribution plan of Apollo Vredestein B.V. in the Netherlands. For the defined benefit plan of Apollo Vredestein GmbH and Reifencom GmbH an actuarial calculation was performed by an actuary of certified actuarial firm.

Apollo Vredestein GmbH

Extracts of latest balance sheet of the funds are as follows :

	₹ Million	
Particulars	2015-16	2014-15
Pension liabilities		
Defined benefit plan	607.91	582.79
Defined contribution plan	300.96	272.07
At end of the year	908.87	854.86

Particulars	2015-16	2014-15
Assumptions Apollo Vredestein GmbH		
Active employee members		
Number	28.0	35.0
Average age	46.6	46.6
Average future service	14.6	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	1.50%	3.10%

Consolidated Statement of Profit and Loss:

	₹ Million	
Particulars	2015-16	2014-15
Net employee benefit expenses (recognized in employee cost)		
Current service cost	16.73	12.34
Interest cost on benefit obligation	9.16	15.44
Expected return on plan assets	-	-
Net actuarial loss / (gain) recognized in the year	(42.27)	148.33
Administration Cost	-	-
Net benefit expense	(16.38)	176.11

Consolidated Balance Sheet:

	₹ Million	
Particulars	2015-16	2014-15
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	(607.91)	(582.75)
Fair value of plan assets at the end of the year	-	-
Asset/(Liability) recognized in the consolidated balance sheet	(607.91)	(582.75)
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:

	₹ Million	
Particulars	2015-16	2014-15
Present value of obligations as at the beginning of the year	582.75	538.36
Interest cost	9.16	15.44
Current service cost	16.74	12.34
Contribution by employees	-	(18.70)
Benefits paid	(18.98)	148.33
Actuarial (gain)/loss on obligation	62.21	(113.02)
Settlement of the obligation	(43.97)	-
Present value of obligations as at the end of the year	607.91	582.75

Reifencom Gmbh

Extracts of latest balance sheet of the funds are as follows :

₹ Million		
Particulars	2015-16	2014-15
Pension liabilities		
Defined benefit plan	63.93	-
Defined contribution plan	-	-
At end of the year	63.93	-

₹ Million		
Particulars	2015-16	2014-15
Assumptions Reifencom Gmbh		
Active employee members		
Number	3.0	-
Average age	52.5	-
Average future service	12.5	-
Inflation	1.75%	-
Indexation non-active members	-	-
Mortality table	Heubeck 2005G	-
Individual salary increase (dependent on age)	-	-
Discount rate	1.90%	-

Consolidated Statement of Profit and Loss:

₹ Million		
Particulars	2015-16	2014-15
Net employee benefit expenses (recognized in employee cost)		
Current service cost	1.90	-
Interest cost on benefit obligation	0.26	-
Expected return on plan assets	-	-
Net actuarial loss (gain) recognized in the year	(0.02)	-
Administration Cost	-	-
Net benefit expense	2.14	-

Consolidated Balance Sheet:

₹ Million		
Particulars	2015-16	2014-15
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	(63.93)	-
Fair value of plan assets at the end of the year	-	-
Asset/(Liability) recognized in the consolidated balance sheet	(63.93)	-
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:

	₹ Million	
Particulars	2015-16	2014-15
Present value of obligations as at the beginning of the year	53.27	-
Interest cost	0.26	-
Current service cost	1.90	-
Contribution by employees	-	-
Experience Adjustment	2.67	-
Actuarial (gain)/loss on obligation	(0.02)	-
Settlement of the obligation	5.85	-
Present value of obligations as at the end of the year	63.93	-

13 The components of Deferred Tax Liabilities (Net) are as follows:

	₹ Million	
Particulars	2015-16	2014-15
Deferred Tax Liabilities on timing differences arising on:		
Depreciation	5,729.68	5,215.10
Others	561.00	325.11
Sub Total (A)	6,290.68	5,540.21
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	1.48	2.60
Provision for Gratuity and Leave Encashment	118.25	113.87
Provision for Doubtful Debts / Advances	15.56	15.56
Others	193.64	199.23
Sub Total (B)	328.93	331.26
Net Deferred Tax Liabilities (A-B)	5,961.75	5,208.95

The components of Deferred Tax Assets (Net) are as follows:

	₹ Million	
Particulars	2015-16	2014-15
Deferred Tax Assets on timing differences arising on:		
Tax losses carried forward	239.42	217.05
Others	166.50	252.53
Sub Total (A)	405.92	469.58
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)	405.92	296.95

- 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 April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
2,159.01	3,824.29	3,420.22	2,563.08

- 14** (b) The Company carries a general provision for contingencies towards various claims against the Company not recognised as debts.

₹ Million			
Opening Balance as at April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
425.00	-	-	425.00

- 14** (c) Provision for constructive liability arising on account of lease contracts up to 6 years (7 years) are as follows

₹ Million			
Opening Balance as at April 01, 2015	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at March 31, 2016
108.34	6.48	14.27	100.55

15 FOREIGN EXCHANGE TRANSACTIONS

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, 2016:

2015-16

Million				
Currency	Currency	Amount	Buy/Sell	Cross Currency
United States Dollar	USD	68.48	Buy	INR
United States Dollar	USD	0.25	Sell	South African Rand

2014-15

Million				
Currency	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

b) No. of Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate are **15** (17).

c) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

₹ Million				
Currency	As at March 31, 2016		As at March 31, 2015	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	INR	FC	INR	FC
UAE Dirham	1.30	0.07	(57.01)	(3.31)
Swiss Franc	(3.07)	(0.04)	142.95	2.20
EURO	1,317.41	17.47	261.02	3.67
British Pound	(120.29)	(1.26)	116.05	1.27
Indonesian Rupiah	(0.04)	(7.25)	(0.04)	(7.25)
Japanese Yen	0.03	0.05	0.05	0.09
Malaysian Ringgit	0.13	0.01	0.17	0.01
Philippine Peso	0.30	0.21	0.23	0.21
Singapore Dollar	1.54	0.03	0.23	0.01
Thai Bhat	(0.92)	(0.49)	(0.20)	(0.11)
US Dollar	(4,237.32)	(63.96)	1,925.05	30.60
South African Rand	135.94	30.21	8.25	1.55
Norway Crown	-	-	56.28	7.20
Swedish Crown	-	-	161.16	22.17
Polish Sloty	-	-	115.59	6.98
Hungarian Forint	-	-	35.59	157.33

16 SEGMENTAL REPORTING

a. Geographical Segments

The Company has considered geographic segments as the primary segments for disclosure. The geographic segments are India and Europe on the basis of Operating Locations. Indian segment includes manufacturing and sales operations through India and European segment includes manufacturing and sales operations through the plant at Netherlands along with its subsidiaries. "Others" segment includes the subsidiary in UAE, South Africa, Thailand and other operating subsidiaries of the group.

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.

Particulars	India			Europe			Others			Other Corp			Eliminations			Total		
	2015-16	2014-15	2014-15	2015-16	2014-15	2014-15	2015-16	2014-15	2014-15	2015-16	2014-15	2014-15	2015-16	2014-15	2014-15	2015-16	2014-15	2014-15
1. Revenue																		
Total Revenue	87,016.41	89,673.31	31,737.28	35,825.89	12,122.93	9,025.82	-	-	-	-	-	-	(12,946.38)	(6,370.77)	117,930.24	128,154.25		
Inter segment Revenue	(6,029.82)	(5,987.14)	(396.55)	(383.63)	(6,520.01)	-	-	-	-	-	-	-	12,946.38	6,370.77	-	-		
External Revenue	80,986.59	83,686.17	31,340.73	35,442.26	5,602.92	9,025.82	-	-	-	-	-	-	-	-	117,930.24	128,154.25		
2. Result																		
Segment result	13,457.81	11,062.30	2,690.90	4,843.77	(65.15)	(79.96)	1,460.52	801.36	(1,400.20)	(666.40)	16,143.88	15,961.07						
Interest expense	(883.31)	(1,720.88)	(33.81)	(88.95)	(13.45)	(20.30)	(5.22)	(0.45)	20.24	2.68	(915.55)	(1,827.90)						
Income Taxes	(4,049.87)	(2,890.61)	(659.97)	(956.85)	(17.30)	332.41	(48.71)	(17.13)	-	-	(4,775.85)	(3,532.18)						
Exceptional Item	-	-	-	-	477.71	(824.90)	-	-	-	-	477.71	(824.90)						
Net profit	8,524.63	6,450.81	1,997.12	3,797.97	381.81	(592.75)	1,406.59	783.78	(1,379.96)	(663.72)	10,930.19	9,776.09						
3. Other Information																		
Segment assets	68,739.80	61,214.06	48,768.75	29,370.67	3,373.26	3,470.01	11,572.64	9,518.93	(21,408.66)	(17,278.93)	111,045.79	86,294.74						
Segment liabilities	23,044.46	24,080.03	19,266.72	6,298.18	2,474.34	1,639.51	7,214.89	6,057.56	(2,776.71)	(2,203.51)	49,223.70	35,871.77						
Capital Expenditure	6,935.03	2,826.52	10,208.00	4,038.52	11.32	64.67	-	-	-	-	17,154.35	6,929.71						
Depreciation	2,686.09	2,467.80	1,520.68	1,274.88	32.12	140.20	-	-	-	-	4,238.89	3,882.88						
Other Significant Non Cash Expenses	(28.60)	146.02	87.26	11.43	2.94	36.35	(29.74)	(14.09)	-	-	31.86	179.71						

17 Disclosure of Related Party Transactions in accordance with the mandatory accounting standards AS-18 “Related Party Disclosures” :
Name of the Related Parties

Particulars	2015-16	2014-15
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
	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
	Milers Global Pvt Ltd	Milers Global Pvt Ltd
	Shardul Amarchand Mangaldas & Co	Amarchand & Mangaldas & Suresh A Shroff & Co.
	J Sagar & Associates	J Sagar & Associates
	Apollo Fiege Integrated Logistics Pvt Ltd	Apollo Fiege Integrated Logistics Pvt Ltd
Associates	Pressurite (Pty) Ltd	Pressurite (Pty) Ltd
	N.A.	National Tyre Service
Key Management Personnel	Mr Onkar S Kanwar	Mr Onkar S Kanwar
	Mr Neeraj Kanwar	Mr Neeraj Kanwar
	N.A.	Mr U S Oberoi
	Mr Sunam Sarkar - Note (a)	Mr Sunam Sarkar
Relatives of Key Managerial Personnel	Mr Raaja Kanwar	Mr Raaja Kanwar

Note: (a) Ceased to be a Whole time Director w.e.f. August 11, 2015.

Related Parties and their relationships are as identified by the management and relied upon by the Auditors.

Transactions with Related Parties:

FY 2015-16

Particulars	Companies in which Directors are interested	Key Management Personnel	₹/Million Total
Description of Transactions:			
Sales: Finished Goods:			
Apollo Intl. Trading LLC, Dubai	23.26		23.26
Apollo International Ltd	1,015.97		1,015.97
	1,039.23		1,039.23
Sales: Raw Materials:			
Classic Auto Tubes Ltd	26.99		26.99
Cross Charge of Management & Other Expenses Received:			
PTL Enterprises Ltd	0.88		0.88

Transactions with Related Parties: (Contd.)

FY 2015-16

Particulars	Companies in which Directors are interested	Key Management Personnel	₹/Million
			Total
Classic Auto Tubes Ltd	1.75		1.75
Artemis Medicare Services Ltd	0.60		0.60
	3.23		3.23
Rent Received:			
PTL Enterprises Ltd	0.12		0.12
Bespoke Tours & Travels Ltd	1.26		1.26
Classic Auto Tubes Ltd	0.11		0.11
	1.49		1.49
Reimbursement of Expenses Received:			
Classic Auto Tubes Ltd	5.55		5.55
PTL Enterprises Ltd	1.85		1.85
Apollo International Ltd	2.37		2.37
	9.77		9.77
Purchases:			
Classic Auto Tubes Ltd	509.40		509.40
Clearing Charges Paid:			
Apollo Fiege Integrated Logistics Pvt Ltd	26.34		26.34
Warehouse Management Charges Paid:			
Apollo Fiege Integrated Logistics Pvt Ltd	69.28		69.28
Legal and Professional Charges Paid:			
Amarchand & Mangaldas & Suresh A Shroff & Co	0.65		0.65
J Sagar & Associates	4.82		4.82
Shardul Amarchand Mangaldas & Co	5.76		5.76
	11.23		11.23
Reimbursement of Expenses paid:			
PTL Enterprises Ltd	634.62		634.62
Classic Auto Tubes Ltd	364.09		364.09
Apollo International Ltd	0.32		0.32
	999.03		999.03
Payment for Services Received:			
Artemis Medicare Services Ltd	10.08		10.08
Classic Auto Tubes Ltd	0.63		0.63
	10.71		10.71
Lease Rent paid:			
PTL Enterprises Ltd	458.96		458.96
Rent Paid:			
Sunlife Tradelinks	24.06		24.06
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	3.01		3.01
	72.79		72.79
Conversion Charges Paid:			
Classic Auto Tubes Ltd	964.34		964.34

Transactions with Related Parties: (Contd.)

FY 2015-16

			₹/Million
Particulars	Companies in which Directors are interested	Key Management Personnel	Total
Mixing Charges Paid:			
Classic Auto Tubes Ltd	275.76		275.76
Travelling Expenses Paid:			
Bespoke Tours & Travels Ltd	273.62		273.62
Conference Expenses:			
Bespoke Tours & Travels Ltd	67.28		67.28
Security Deposits Given:			
PTL Enterprises Ltd	100.00		100.00
Commission received:			
Apollo Finance Ltd	0.52		0.52
Managerial Remuneration:			
Mr Onkar S. Kanwar		532.77	532.77
Mr Neeraj Kanwar		352.32	352.32
Mr Sunam Sarkar		5.39	5.39
		890.48	890.48
Amount Outstanding			
Other Trade Payable:			
Apollo Fiege Integrated Logistics Pvt Ltd	8.14		8.14
Classic Auto Tubes Ltd	32.32		32.32
Artemis Medicare Services Ltd	0.01		0.01
J Sagar Associates	0.33		0.33
	40.80		40.80
Other Current Liabilities:			
Classic Auto Tubes Ltd	21.64		21.64
Long Term Loans & Advances:			
PTL Enterprises Ltd	500.00		500.00
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	75.37		75.37
	593.38		593.38
Trade Receivable:			
Classic Auto Tubes Ltd	36.48		36.48
Apollo International Ltd	62.04		62.04
Apollo Intl. Trading LLC, Dubai	1.27		1.27
	99.79		99.79
Short Term Loans & Advances:			
PTL Enterprises Ltd	77.45		77.45
Apollo International Ltd	0.39		0.39
Classic Auto Tubes Ltd	4.12		4.12
Bespoke Tours & Travels Ltd	6.01		6.01
	87.97		87.97

Transactions with Related Parties:

FY 2014-15

		₹/Million
Particulars	Companies in which Directors are interested	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
	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

Transactions with Related Parties:
FY 2014-15

			₹/Million
Particulars	Companies in which Directors are interested	Key Management Personnel	Total
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
Traveling Expenses Paid:			
Bespoke Tours & Travels Ltd	317.58		317.58
Conference Expenses:			
Bespoke Tours & Travels Ltd	220.55		220.55
Commission 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			
Other 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 and Mangaldas & Suresh A Shroff & Co	0.06		0.06
	31.67		31.67
Other Current Liabilities:			
Classic Auto Tubes Ltd	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

18 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 ₹ 458.96 Million (₹ 400 Million).

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

₹ Million		
Particulars	2015-16	2014-15
Within One year of the Balance Sheet date	500.00	400.00
Due in a period between One year and Five years	2,500.00	2,000.00
Due after Five years	-	400.00

B. Foreign Operations

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

₹ Million		
Particulars	2015-16	2014-15
Within one year of the Balance Sheet Date	318.43	375.05
Due in a period between one year and five years	515.06	795.57
Due after five years	-	19.53

The company has operational lease contracts for office space. Rental obligations relate to various warehouses and office buildings with contracts up to 10 years.

19 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:

₹ Million				
Particulars	Total Minimum Lease Payments		Present Value of Lease Payments	
	2015-16	2014-15	2015-16	2014-15
Within One year of the Balance Sheet date	63.41	68.31	55.53	56.12
Due in a period between One year and Five years	36.84	101.75	32.58	79.67
Due after Five Years	37.78	45.21	31.16	35.97
Total	138.03	215.27	119.27	171.76
Less: Future Finance Charges	(18.76)	(43.51)	-	-
Present Value of Minimum Lease Payments	119.27	171.76	-	-

20 Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	2015-16	2014-15
Basic & Diluted Earnings Per Share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	10,930.19	9,776.09
The weighted average number of equity shares outstanding during the year used as denominator for Basic EPS - (B)	509,024,770	507,942,578
Add : Effect of Warrants which are dilutive	-	441,058
The weighted average number of equity shares outstanding during the year used as denominator for Diluted EPS - (C)	509,024,770	508,383,636
Basic earnings per share (₹) – (A) / (B) (Face value of Re 1 each)	21.47	19.25
Diluted Earnings Per Share (₹) - (A)/(B) (Face Value of Re. 1 each)	21.47	19.23

21 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

NEERAJ KANWAR
Vice Chairman &
Managing Director

SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

Gurgaon
May 11, 2016

FORM AOC 1

(pursuant to first proviso 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**Part A: Subsidiaries**

S.No	Name of the Subsidiary	Reporting Currency	Exchange Rate as on 31.03.2016	As on March 31, 2016			Investment (Other than Subsidiary)	For the Year Ended March 31, 2016			₹ Million	
				Share Capital	Reserves & Surplus	Total Assets		Total Liabilities	Turnover (including other income)	Profit before taxation		Provision for taxation
1	Apollo (Mauritius) Holdings Pvt Ltd (AMHPL)	USD	66.26	8,540.78	2,416.25	11,006.47	11,006.47	-	1,609.72	1,450.46	124.82	1,325.64
2	Apollo Tyres (Greenfield) BV	EURO	75.25	2.71	0.02	2.72	2.72	-	-	0.02	-	0.02
3	Apollo Tyres (Hungary) Kft	HUF	0.24	401.65	5,010.06	9,338.02	9,338.02	-	12.64	(824.77)	-	(824.77)
4	Apollo (South Africa) Holdings (Pty) Ltd (ASHPL)	ZAR	4.47	-	1,855.69	1,855.77	1,855.77	-	1,464.96	1,464.95	3.58	1,461.37
5	Apollo Tyres Africa (Pty) Ltd	ZAR	4.47	1,788.18	(1,564.10)	571.16	571.16	-	933.11	354.50	1.08	353.42
6	Apollo Tyres (Cyprus) Pvt Ltd (ATCPL)	EURO	75.25	151.37	10.29	162.98	162.98	-	5.70	4.88	0.21	4.67
7	Apollo Tyres Co-operative U.A. (Apollo Coop)	EURO	75.25	9,495.54	31,623.60	43,565.43	43,565.43	-	-	(22.18)	-	(22.18)
8	Apollo Tyres AG (ATAG)	CHF	68.83	323.31	(150.43)	181.30	181.30	-	120.99	(79.17)	0.11	(79.28)
9	Apollo Tyres Holdings (Singapore) Pte Ltd (ATHS)	USD	66.26	469.33	(132.79)	1,663.33	1,663.33	232.66	6,647.59	34.66	2.81	31.85
10	Apollo Tyres (Midle East) FZE (ATFZE)	AED	18.04	36.09	129.57	348.83	348.83	-	1,892.87	27.12	-	27.12
11	Apollo Tyres (Thailand) Limited	THB	1.89	188.72	137.31	806.48	806.48	-	2,872.19	57.50	13.59	43.91
12	Apollo Tyres (Brazil) Ltda	BRL	18.38	14.52	(7.13)	30.02	30.02	-	-	(0.13)	0.46	(0.59)
13	Apollo Tyres Global R&D B.V.	EURO	75.25	0.01	550.28	836.19	836.19	-	1,936.51	175.43	-	175.43
14	Apollo Tyres B.V. (ATBV)	EURO	75.25	22,832.02	282.11	26,943.26	26,943.26	-	-	75.38	-	75.38
15	Apollo Tyres (U.K.) Pvt Ltd	GBP	95.21	1,781.96	19.69	2,001.40	2,001.40	-	1,524.34	60.45	20.06	40.39
16	Apollo Tyres (London) Pvt Ltd	GBP	95.21	999.70	(2.50)	1,004.81	1,004.81	-	-	-	-	-
17	Apollo Vredestein B.V. (AVBV)	EURO	75.25	3.20	19,920.84	28,537.34	28,537.34	-	25,879.64	2,407.71	345.40	2,062.32
18	Apollo Vredestein GmbH	EURO	75.25	38.53	4,321.19	7,726.04	7,726.04	-	9,090.64	276.83	95.48	181.35
19	Vredestein Marketing B.V. & Co. KG	EURO	75.25	-	(2,582.05)	41.99	41.99	-	416.54	272.05	2.03	270.02
20	Vredestein Nordic A.B.	SEK	8.13	9.27	22.49	717.08	717.08	-	1,180.00	(9.15)	0.04	(9.19)
21	Apollo Vredestein U.K. Limited	GBP	95.21	95.30	10.76	378.43	378.43	-	1,213.77	1.53	1.27	0.26
22	Apollo Vredestein SAS	EURO	75.25	3.16	188.94	663.44	663.44	-	1,715.13	63.28	25.51	37.77
23	Apollo Vredestein Belux	EURO	75.25	4.67	106.92	388.96	388.96	-	1,379.08	116.22	41.01	75.21
24	Apollo Vredestein Gesellschaft m.b.H.	EURO	75.25	2.73	10.91	756.63	756.63	-	1,795.35	2.48	2.24	0.24
25	Apollo Vredestein Schweiz AG	CHF	68.83	206.50	77.57	182.94	182.94	-	749.06	25.78	4.11	21.67
26	Apollo Vredestein Srl	EURO	75.25	15.05	29.72	458.54	458.54	-	1,089.22	(19.75)	-	(19.75)
27	Apollo Vredestein Iberica SA	EURO	75.25	233.35	98.95	265.07	265.07	-	1,019.57	47.09	13.45	33.64
28	Apollo Vredestein Tires Inc.	USD	66.26	3.31	(89.45)	87.31	87.31	-	283.12	(37.61)	0.13	(37.74)
29	Apollo Vredestein Kft	HUF	0.24	0.72	2.61	225.58	225.58	-	422.04	2.08	3.23	(1.16)
30	S.C. Vredesetin R.O. Srl*	EURO	75.25	-	-	-	-	-	-	-	-	-
31	Apollo Vredestein Opomy Polska Sp. Zo.o.	PLN	17.60	0.88	124.08	446.85	446.85	-	593.48	(45.27)	(4.85)	(40.42)
32	Vredestein Norge A.S.	NOK	7.97	0.80	(0.18)	0.62	0.62	-	-	(0.05)	-	(0.05)
33	Vredestein Consulting B.V.	EURO	75.25	1.71	232.88	49.52	49.52	-	30.05	14.99	-	14.99
34	Finlo B.V.	EURO	75.25	0.68	(17.61)	(16.33)	(16.33)	-	-	-	-	-
35	Vredestein Marketing B.V.	EURO	75.25	1.88	-	1.88	1.88	-	-	-	-	-
36	Apollo Tyres (Germany) GmbH	EURO	75.25	1.88	46.75	74.32	74.32	-	33.28	3.35	-	3.35
37	Apollo Tyres (Malaysia) SDN. BHD	RINGET	16.88	-	-	-	-	-	-	-	-	-
38	Reifencom GmbH, Bielefeld	EURO	75.25	56.43	109.24	709.46	709.46	-	388.08	(62.85)	(24.54)	(38.30)
39	Reifencom GmbH, Hannover	EURO	75.25	115.58	95.46	1,568.01	1,568.01	-	1,113.18	(98.65)	(31.24)	(67.42)
40	Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover	EURO	75.25	107.33	12.85	3,097.60	3,097.60	-	1,081.61	15.38	3.03	12.36
41	Reifencom Tyre (Qingdao) Co., Ltd.	CNY	10.25	7.93	5.95	1.10	1.10	-	1.47	-	-	-

* It is a non operating entity.

Note 1 Name of subsidiaries which are yet to commence operations - Apollo Tyres (Malaysia) SDN. BHD

Note 2 Name of subsidiaries which have been liquidated or sold during the year - None

Note 3 Financial year for all the subsidiaries is April to March.

Note 4 There is no proposed dividend in any subsidiary as on March 31, 2016.

Note 5 The shareholding in all subsidiaries is 100%.

Part B: Associates and Joint Venture

₹ Million

S.No.	Name of Associates/ Joint Venture	PanAridus LLC (Joint Venture)
1	Latest Balance Sheet date	31.03.2016
2	Shares of Associate/ Joint Ventures held by the company on the year end	
	No.	9,550
	Amount of Investment in Associates/ Joint Venture	232.66
	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	(124.99)
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	(31.68)
	i. Not Considered in Consolidation	(31.68)

Note 1 Name of associates or joint ventures which are yet to commence operations

None

Note 2 Name of associates or joint ventures which have been liquidated or sold during the year

None

For and on behalf of the Board of Directors

 NEERAJ KANWAR
Vice Chairman &
Managing Director

 SUNAM SARKAR AKSHAY CHUDASAMA
Director Director

 GAURAV KUMAR SEEMA THAPAR
Chief Financial Officer Company Secretary

 Gurgaon
May 11, 2016

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