

CHAIRMAN'S MESSAGE

Dear Members,

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

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

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

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

As you leaf through the pages of the year's annual report, you will read the actions we took during the year and the initiatives we will take during the year to adapt to the new normal. I would like to talk about our value - 'Care for Society', which is close to my heart even as our outreach to our communities continued unabated during the year. The financial year saw a unique first of its kind corporate partnership with tyre major, Ashok Leyland, to provide healthcare facilities to the trucking community in Namakkal, a prominent transshipment hub in the southern Indian state of Tamil Nadu.

We continued to support our communities and stakeholders across multiple states of India. A few initiatives taken during this period to mitigate the distress of the

broader community included creating awareness through various ways including hoardings and pamphlets in multiple languages as we reached out to over a million people under this initiative. Our team provided cooked food and 15-day ration support of essential supplies such as ration support and hygiene kits for families.

Nevertheless, the uncertainty will continue, as I do not see an early end of this New Normal. Yet the show must go on and we are already adapting and finding opportunities for growth. Our primary focus in the new normal has been the safety of our employees even as we continue to make the new normal our normal. It is heartening to inform that the new normal has seen us doing virtual inaugurations of our seventh manufacturing plant in Andhra Pradesh, India in June 2020 and followed by the facility to manufacture high-end bias and steel radial tyres for the two-wheeler segment in Limda, Gujarat, India in July 2020.

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

Wishing you all the best.

ONKAR S. KANWAR

Chairman and Managing Director