

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
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## **Independent Auditor's Review Report on the Unaudited Condensed Consolidated Interim Financial Statements**

**To the Board of Directors of Apollo Tyres Limited**

### **Introduction**

1. We have reviewed the accompanying unaudited condensed consolidated interim financial statements ('the Consolidated Interim Financial Statements') of Apollo Tyres Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture (Refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Consolidated Interim Financial Statements), which comprise the unaudited condensed consolidated interim Balance Sheet as at 30 June 2017, the unaudited condensed consolidated interim Statement of Profit and Loss (including other comprehensive income), the unaudited condensed consolidated interim Cash Flow Statement, the unaudited condensed consolidated interim Statement of Changes in Equity for the quarter then ended, and selected explanatory notes. These Consolidated Interim Financial Statements have been prepared by the management for the purpose of inclusion in the Preliminary Placement Document and the Final Placement Document ('Placement Documents') prepared in connection with the proposed offering of equity shares in a Qualified Institutions Placement, in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('SEBI ICDR Regulations') to persons outside the United States of America pursuant to Regulation S of the United States Securities Act of 1933, as amended (the 'Securities Act') and to Qualified Institutional Buyers as defined in Rule 144A of the Securities Act. Management is responsible for the preparation and fair presentation of these Consolidated Interim Financial Statements in accordance with the requirements of Ind AS 34 'Interim Financial Reporting' specified under the section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on these Consolidated Interim Financial Statements based on our review.

### **Scope of Review**

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute



# Walker ChandioK & Co LLP

## Independent Auditor's Review Report on unaudited condensed Consolidated Interim Financial Statements (Cont'd)

of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

3. Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Consolidated Interim Financial Statements do not present fairly, in all material respects, the state of affairs of the group, its associate and joint venture as at 30 June 2017, and their profit (including other comprehensive income), their cash flows and changes in equity for the quarter ended on that date, in accordance with the requirements of Ind AS 34 specified under the section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

### Other Matter

4. We did not review the financial information of 41 subsidiaries located outside India included in these Consolidated Interim Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the country of its incorporation, whose financial information reflects total assets of ₹79,011.29 million and net assets of ₹32,904.72 million as at 30 June 2017, total revenues of ₹ 17,895.74 million and net cash inflows amounting to ₹894.83 million for the quarter ended on that date. The Consolidated Interim Financial Statements also include the Group's share of net profit/loss (including other comprehensive income) of ₹ Nil in respect of one associate and one joint venture for the quarter ended 30 June 2017, whose financial information have not been reviewed by us. This financial information has been reviewed by other auditors under generally accepted auditing standards applicable in that country, whose report has been furnished to us by the management. Our report in respect of the Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, is based solely on the reports of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.
5. The comparative consolidated financial information as at 31 March 2017 included in the Consolidated Interim Financial Statements has been extracted from the Audited Consolidated Financial Statements of the Group, its associate and joint venture as at and for the year ended 31 March 2017, which were audited by the predecessor auditor, who expressed an unmodified opinion vide their report dated 05 May 2017. Further, the comparative information included in the Unaudited Condensed Consolidated Interim Statement of Profit and Loss (including other comprehensive income) and Unaudited Condensed Consolidated Interim Cash Flow Statement of the Group, its associate and joint venture for the quarter ended 30 June 2016 have been reviewed by the predecessor auditor, who expressed an unmodified conclusion vide their report dated 03 October 2017. Further, the comparative Consolidated Statement of Changes in Equity and the related party transactions disclosure for the quarter ended 30 June 2016 have not been subjected to audit or review by either us or the predecessor auditor and are based solely on certification by management.
6. The Company has also submitted unaudited consolidated financial results for the quarter ended 30 June 2017 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on which we issued an unmodified review report dated 04 August 2017 to the Board of the Directors of the Company.





# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on unaudited condensed Consolidated Interim Financial Statements (Cont'd)

Our report is not modified in respect of these matters.

### Restriction on distribution or use

7. These Consolidated Interim Financial Statements have been prepared by the management solely for the purpose of inclusion in the Placement Documents prepared in connection with the proposed offering of equity shares in a Qualified Institutions Placement in accordance with the provisions of the SEBI ICDR Regulations, to persons outside the United States of America pursuant to Regulation S of the United States Securities Act of 1933, as amended (the 'Securities Act') and to Qualified Institutional Buyers as defined in Rule 144A of the Securities Act. This report is issued solely for the aforementioned purpose and accordingly may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per **David Jones**

Partner

Membership No. 98113



Place: Gurgaon

Date: 03 October 2017

# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on unaudited condensed Consolidated Interim Financial Statements (Cont'd)

### Annexure 1

#### List of entities included in the Statement

Sno.	Name of the Company
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1	Apollo Tyres Limited
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#### Name of the subsidiaries

1	Apollo Tyres Cooperatief U.A.
2	Apollo (South Africa) Holdings (Pty) Ltd.
3	Apollo Tyres Africa (Pty) Ltd.
4	Apollo Tyres (Thailand) Limited
5	Apollo Tyres (Middle East) FZE
6	Apollo Tyres Holdings (Singapore) Pte. Ltd.
7	Apollo Tyres (Malaysia) SDN. BHD
8	Apollo Tyres (UK) Pvt. Ltd.
9	Apollo Tyres (London) Pvt. Ltd.
10	Apollo Tyres Global R&D B.V.
11	Apollo Tyres (Germany) GmbH
12	Apollo Tyres AG
13	Apollo Tyres do (Brazil) Ltd
14	Apollo Tyres B.V
15	Apollo Tyres (Hungary) Kft
16	Apollo Vredestein B.V.
17	Apollo Vredestein GmbH
18	Vredestein Marketing B.V. & Co. KG
19	Apollo Vredestein Nordic A.B.
20	Apollo Vredestein UK Limited
21	Apollo Vredestein SAS
22	Apollo Vredestein Belux
23	Apollo Vredestein Gesellschaft m.b.H.
24	Apollo Vredestein Schweiz AG
25	Apollo Vredestein Srl
26	Apollo Vredestein Iberica SA
27	Apollo Vredestein Tires Inc.
28	Apollo Vredestein Kft
29	S.C. Vredestein R.O. Srl
30	Apollo Vredestein Opony Polska Sp. Zo.o
31	Vredestein Consulting B.V.
32	Finlo B.V.
33	Vredestein Marketing B.V.
34	Reifencom GmbH, Bielefeld



# Walker ChandioK &Co LLP

## Independent Auditor's Review Report on unaudited condensed Consolidated Interim Financial Statements (Cont'd)

- 35 Reifencom GmbH, Hannover
- 36 Reifencom Einkaufsgesellschaft, mbH & Co. OHG, Hannover
- 37 Reifencom Tyre (Qingdao) Co., Ltd.
- 38 Saturn F1 Pvt. Ltd
- 39 Retail Distribution Holding B.V.
- 40 Rubber Research LLC
- 41 ATL Singapore Pte Limited
- 42 Apollo Tyres (Cyprus) Pvt. Ltd.
- 43 Apollo Tyres (Greenfield) B.V.

### Name of the associate

- 1 Pressurite (Pty) Ltd.

### Name of the joint venture

- 1 Pan Aridus LLC



**Apollo Tyres Limited**  
**Unaudited Condensed Consolidated Interim Balance Sheet as at June 30, 2017**

Particulars	As at June 30, 2017 Rs. Million (Unaudited)	As at March 31, 2017 Rs. Million (Audited)
<b>A. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, plant & equipments	61,584.71	60,381.65
(b) Capital work-in-progress	35,735.40	28,723.43
(c) Goodwill	1,895.08	1,773.58
(d) Other intangible assets	5,218.15	4,759.77
(e) Intangible assets under development	545.71	427.49
(f) Financial assets		
i. Other investments	18.14	17.49
ii. Loans	27.52	24.14
iii. Other financial assets	972.89	973.82
(g) Deferred tax assets (net)	683.86	629.26
(h) Other non-current assets	6,108.73	5,199.24
<b>Total non-current assets</b>	<b>112,790.19</b>	<b>102,909.87</b>
<b>2. Current Assets</b>		
(a) Inventories	29,081.22	26,455.26
(b) Financial assets		
i. Investments	1,310.63	3,944.44
ii. Trade receivables	10,825.41	11,274.96
iii. Cash and cash equivalents	4,468.45	3,308.94
iv. Other bank balances	210.06	60.23
v. Loans	38.71	38.94
vi. Other financial assets	423.09	410.76
(c) Other current assets	4,135.16	4,601.36
<b>Total current assets</b>	<b>50,492.73</b>	<b>50,094.89</b>
<b>TOTAL ASSETS (1+2)</b>	<b>163,282.92</b>	<b>153,004.76</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	509.02	509.02
(b) Other equity	75,232.89	72,390.52
<b>Total equity</b>	<b>75,741.91</b>	<b>72,899.54</b>
<b>LIABILITIES</b>		
<b>2. Non-Current Liabilities</b>		
(a) Financial liabilities		
i. Borrowings	28,999.09	21,559.04
ii. Other financial liabilities	598.34	504.97
(b) Provisions	357.91	343.75
(c) Deferred tax liabilities (net)	8,066.15	7,661.14
(d) Other non-current liabilities	5,912.05	5,017.17
<b>Total non-current liabilities</b>	<b>43,940.54</b>	<b>35,286.07</b>
<b>3. Current Liabilities</b>		
(a) Financial liabilities		
i. Borrowings	9,193.27	10,886.27
ii. Trade payables	16,865.00	17,317.56
iii. Other financial liabilities	8,967.24	8,945.65
(b) Other current liabilities	2,997.85	2,553.23
(c) Provisions	4,472.32	4,042.67
(d) Current tax liabilities (net)	1,205.28	1,073.77
<b>Total current liabilities</b>	<b>43,700.96</b>	<b>44,819.15</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>	<b>163,282.92</b>	<b>153,004.76</b>

The accompanying notes (1-11) form an integral part of the unaudited condensed consolidated interim financial statements

This is the Unaudited Condensed Consolidated Interim Balance Sheet referred to in our report of even date

*Walker Chandlok Ho LLP*

For Walker Chandlok & Co LLP  
 Chartered Accountants  
 Firm Registration No: 001076N / N500013

*David Jones*  
 David Jones

Partner  
 Membership No 98113

Place: Gurgaon  
 Date: 03 October, 2017

For and on behalf of Board of Directors of  
 Apollo Tyres Limited

*Onkar Kanwar*  
 ONKAR S. KANWAR

*Neeraj Kanwar*  
 NEERAJ KANWAR

Chairman & Managing Director Vice Chairman Managing Director

*Gaurav Kumar*  
 GAURAV KUMAR  
 Chief Financial Officer

*Seema Thapar*  
 SEEMA THAPAR  
 Company Secretary



Apollo Tyres Limited

Unaudited Condensed Consolidated Interim Statement of Profit and Loss for the quarter ended June 30, 2017

Particulars	Quarter ended June 30, 2017 Rs. Million (Unaudited)	Quarter ended June 30, 2016 Rs. Million (Unaudited)
<b>1. Revenue from operations</b>		
Gross sales	35,129.80	35,451.26
Other operating income	243.74	194.18
	<b>35,373.54</b>	<b>35,645.44</b>
<b>2. Other income</b>	87.55	277.97
<b>3. Total revenue (1 + 2)</b>	<b>35,461.09</b>	<b>35,923.41</b>
<b>4. Expenses</b>		
(a) Cost of materials consumed	17,897.26	14,378.77
(b) Purchase of stock-in-trade	3,169.74	2,771.59
(c) Changes in inventories of finished goods, work-in progress & stock-in-trade	(1,594.14)	(964.69)
(d) Excise duty on sales	2,548.91	2,529.01
(e) Employee benefits expense	4,314.53	4,490.36
(f) Finance costs	340.48	269.37
(g) Depreciation & amortization expense	1,258.46	1,060.05
(h) Other expenses	6,304.70	7,052.06
<b>Total expenses</b>	<b>34,230.04</b>	<b>31,586.62</b>
<b>5. Profit before exceptional items and tax (3 - 4)</b>	<b>1,221.15</b>	<b>4,336.89</b>
<b>6. Exceptional Items</b>		
<b>7. Share of loss in joint venture</b>		(0.36)
<b>8. Profit before tax (5 + 6 + 7)</b>	<b>1,221.15</b>	<b>4,336.53</b>
<b>9. Tax expense</b>		
(a) Current tax expense	321.35	894.54
(b) MAT credit	(212.87)	-
(c) Net current tax expense	108.48	894.54
(d) Deferred tax	229.67	286.55
<b>Total</b>	<b>338.15</b>	<b>1,181.09</b>
<b>10. Profit after tax (8 - 9)</b>	<b>883.00</b>	<b>3,155.44</b>
<b>11. Other Comprehensive Income</b>		
<b>i Items that will not be reclassified to profit or loss</b>		
(a) Remeasurement of defined benefit plans	3.38	1.86
ii Income tax	(1.17)	(0.64)
	2.21	1.22
<b>ii Items that may be reclassified to profit or loss</b>		
(a) Exchange differences in translating the financial statements of foreign operations	1,973.63	(284.18)
(b) Effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(25.33)	4.17
	1,948.30	(280.01)
ii Income tax	8.77	(1.45)
	1,957.07	(281.46)
<b>Other comprehensive Income (i + ii)</b>	<b>1,959.28</b>	<b>(280.24)</b>
<b>Total comprehensive Income (10 + 11)</b>	<b>2,842.28</b>	<b>2,875.20</b>
<b>Earnings per equity share of Re. 1 each:</b>		
(a) Basic	1.73	6.20
(b) Diluted	1.73	6.20

The accompanying notes (1-11) form an integral part of the unaudited condensed consolidated interim financial statements.

This is the Unaudited Condensed Consolidated Interim Statement of Profit and Loss referred to in our report of even date

*Walker Chandok & Co LLP*

For Walker Chandok & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N / N500013

*[Signature]*  
David Jones  
Partner

Membership No 98113

Place: *Gurgaon*  
Date: *03 October, 2017*



For and on behalf of Board of Directors of  
Apollo Tyres Limited

*[Signature]* *[Signature]*  
ONKAR S. KANWAR NEERAJ KANWAR  
Chairman & Managing Director Chairman & Managing Director

*[Signature]* *[Signature]*  
GAURAV KUMAR SEEMA THAPAR  
Chief Financial Officer Company Secretary



**Apollo Tyres Limited**

**Unaudited Condensed Consolidated Interim Cash Flow Statement for the quarter ended June 30, 2017**

Particulars	Quarter ended June 30, 2017 Rs. Million (Unaudited)	Quarter ended June 30, 2016 Rs. Million (Unaudited)
A. Cash flow from operating activities	2,856.12	6,556.39
B. Cash flow used in investing activities	(5,965.10)	(13,161.29)
C. Cash flow from financing activities	4,059.56	6,962.22
D. Effect of foreign currency fluctuation arising out of consolidation	54.56	(170.64)
E. Net Increase in Cash and Cash equivalents (A+B+C+D)	<u>1,005.14</u>	<u>186.68</u>
F. Adjusted Opening Cash and Cash equivalents	191.78	2,280.17
G. Adjusted Closing Cash and Cash equivalents (E+F)	<u><u>1,196.92</u></u>	<u><u>2,466.85</u></u>

This is the Unaudited Condensed Consolidated Interim Cash Flow Statement referred to in our report of even date.

*Walker Chandiook & Co LLP*  
**For Walker Chandiook & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 001076N / N500013

*David Jones*  
**David Jones**  
 Partner  
 Membership No. 98113

Place: *Gurgaon*  
 Date: *03 October, 2017*



**For and on behalf of Board of Directors of  
 Apollo Tyres Limited**

*Onkar S. Kanwar*  
**ONKAR S. KANWAR**  
 Chairman & Managing Director

*Neeraj Kanwar*  
**NEERAJ KANWAR**  
 Vice Chairman & Managing Director

*Gaurav Kumar*  
**GAURAV KUMAR**  
 Chief Financial Officer

*Seema Thapar*  
**SEEMA THAPAR**  
 Company Secretary





Apollo Tyres Limited  
Unaudited Condensed Consolidated Interim Statement of Changes In Equity for the quarter ended June 30, 2017

Other Equity

Particulars	Reserves and Surplus										Items of other comprehensive income				Total
	Securities premium reserve	General reserve	Capital reserve on consolidation	Capital reserve on Mauritius merger	Debtenture redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forfeiture of shares	Retained earnings	Revaluation surplus	Foreign currency translation reserve	Actuarial gain / (loss)	Cash flow hedge reserve		
Balance at March 31, 2016 (Audited)	6,085.71	11,006.63	2,664.95	1,383.68	375.00	25.50	44.40	0.07	46,326.03	31.22	(2,003.24)	(404.18)	1.36	65,537.13	
Transactions for the quarter (Unaudited)															
Profit for the quarter									3,155.44					3,155.44	
Items of other comprehensive income (OCI)															
Income tax on OCI items															
Balance at June 30, 2016 (Unaudited)	6,085.71	11,006.63	2,664.95	1,383.68	375.00	25.50	44.40	0.07	49,481.47	31.22	(2,237.42)	(402.96)	4.08	68,412.33	
Balance at March 31, 2017 (Audited)	6,085.71	12,006.63	2,664.95	1,383.68	469.12	25.50	44.40	0.07	54,985.10	31.22	(4,818.38)	(411.25)	(76.23)	72,390.52	
Transactions for the quarter (Unaudited)															
Profit for the quarter									883.00					883.00	
Items of other comprehensive income (OCI)															
Income tax on OCI items															
Balance at June 30, 2017 (Unaudited)	6,085.71	12,006.63	2,664.95	1,383.68	469.12	25.50	44.40	0.07	55,868.10	31.22	(2,844.75)	(409.04)	(92.79)	75,232.80	

This is the Unaudited Condensed Consolidated Interim Statement of Changes in Equity referred to in our report of even date

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N / N500013

*David Jones*  
David Jones  
Partner  
Membership No. 98113

For and on behalf of Board of Directors of  
Apollo Tyres Limited

*Neeraj Kanwar*

NEERAJ KANWAR  
Chairman & Managing Director

*Onkar S. Kanwar*

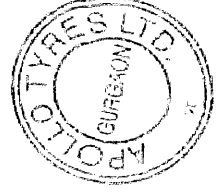
ONKAR S. KANWAR  
Chairman & Managing Director

*Gaurav Kumar*

GAURAV KUMAR  
Chief Financial Officer

SEEMA THAPAR  
Company Secretary

Place: Gurgaon  
Date: 03 October, 2017



**Apollo Tyres Limited**  
**Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements**  
**for the quarter ended June 30, 2017**

**1 General Information:**

The Apollo Tyres Group consists of Apollo Tyres Limited (the 'Company'), the ultimate holding company with several foreign subsidiaries (together the 'Group'), an associate and a joint venture (together 'Apollo') Established in 1972, Apollo is in the business of manufacture and sale of tyres Apollo has its headquarters in Gurgaon, India and operations all across the globe The Company is a public limited company and is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') The product portfolio of the Apollo consists tyres of passenger car, sports utility vehicle, multi utility vehicle, light truck, truck-bus, agriculture, industrial, specially, bicycle and off highway tyres, alloy wheels and two wheeler tyres

**2 Basis of Preparation:**

These unaudited condensed consolidated interim financial statements of the Group, its associate and joint venture have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 – "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013, for the purpose of inclusion in the Preliminary Placement Document and the Final Placement Document ('Placement Documents') prepared in connection with the proposed offering of equity shares in a Qualified Institutions Placement, in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('SEBI ICDR Regulations') to persons outside the United States of America pursuant to Regulation S of the United States Securities Act of 1933, as amended (the 'Securities Act') and to Qualified Institutional Buyers as defined in Rule 144A of the Securities Act The accounting policies applied by Apollo for preparation of these unaudited condensed consolidated interim financial statements are consistent with those adopted for preparation of the consolidated financial statements of the Group, its associate and joint venture as at and for the year ended March 31, 2017 There have been no material changes in the group structure since March 31, 2017 and these unaudited condensed consolidated interim financial statements include the financial performance or results, as applicable, of substantially the same subsidiaries, joint venture and associate that were consolidated in the audited consolidated financial statements of the Group, its associate and joint venture as at and for the year ended March 31, 2017

The amounts (transactions and balances) pertaining to year ended March 31 2017, that are included in the unaudited condensed consolidated interim financial statements, have been extracted from the audited consolidated financial statements of the Group, its associate and joint venture as at and for the year ended March 31 2017 which have been audited by predecessor auditor

Further, the amounts appearing in the unaudited condensed consolidated interim statements of profit and loss and cash flows for the quarter ended June 30, 2016 have been reviewed by the predecessor auditor The unaudited condensed consolidated interim cash flow statement for the quarter ended June 30, 2016 has been prepared by the management using the audited consolidated balance sheet for the year ended March 31, 2016 and unaudited consolidated balance sheet for the quarter ended June 30, 2016

The remaining information (except segment information and Earning Per Share) presented as of and for the quarter ended 30 June 2016 has not been subjected to audit or review and has been prepared by the management based on the unaudited books of accounts of the Group, its associate and joint venture

These unaudited condensed consolidated interim financial statements have been approved by the Board of Directors on 03 October, 2017 and have been subjected to limited review by the Company's independent auditors.

- 3 The Company has also submitted unaudited consolidated financial results for the quarter ended June 30, 2017 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**4 Contingent Liability**

Particulars	Rs. Million	
	As on June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)
Sales Tax	39 64	39 64
Income Tax #	84 10	265 80
Claims against the company not acknowledged as debts – Employee related	73 52	58 18
– Others	68 06	67 77
Excise Duty*	161 78	137 50

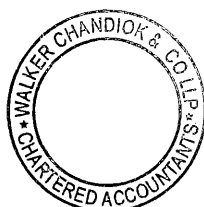
# Excludes amount of Rs 441 66 million (Rs. 441 66 million as at March 31, 2017) in appeals which have been decided by Appellate authorities in the Company's favour but on which the department has gone for further appeal and a demand of Rs 663 70 million (Rs 663 7 million as at March 31, 2017) relating to the adjustments made in MAT computation, which in the opinion of the Company, is not sustainable and the probability of cash outflow is considered remote

\* Excludes demand of Rs 532 12 million (Rs 532 12 million as at March 31, 2017) issued to one of the Company's units relating to matters which have been decided by the Appellate Authority in the 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

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

**5 Capital Commitments**

Particulars	Rs. Million	
	As at June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)
Estimated amount of contracts remaining to be executed on capital account and not provided for	15,960 86	15,471 55



## 6 Borrowings:

During the quarter ended June 30, 2017, the Company issued non convertible debentures amounting to Rs 4,500 million. These debentures are listed on WDM segment at NSE and are secured by first pari passu charge on the tangible movable fixed assets, both present and future, for not less than 1.25 times of the outstanding debentures due at any given point in time during the tenure of the debentures and until all amounts are paid to the satisfaction of debenture trustee.

Subsequent to quarter ended June 30, 2017, the Company has raised funds through external commercial borrowings amounting to Rs 6,223.45 Million at an interest rate of 0.50%-1.50% plus LIBOR. The same is secured by all movable assets of the company, both present and future.

## Apollo Tyres Limited

### Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements- June 30, 2017

#### 7 Financial Instruments

The below tables summarise the fair value of the financial assets/liabilities.

##### (i) Fair value of derivative instruments carried at fair value

Particulars	As at 30 June 2017 Rs. Million (Unaudited)	As at 31 March 2017 Rs. Million (Audited)	Fair Value Hierarchy (Level 1, 2 or 3)*
<b>Derivative Financial Assets (a)</b>			
- Cross Currency Rate swaps	218.05	220.40	2
<b>Derivative Financial Liabilities (b)</b>			
- Foreign Currency Forward Contracts	83.49	101.02	4
- Cross Currency Rate swaps	131.25	47.58	2
- Futures and Options	15.84	40.53	2
- Commodity future contract	5.33		1
<b>Total</b>	<b>235.91</b>	<b>189.13</b>	
<b>Net derivative financial assets/(liabilities) (a-b)</b>	<b>(17.86)</b>	<b>31.27</b>	

##### (ii) Fair value of financial assets (other than derivative instruments) carried at fair value

Particulars	As at 30 June 2017 Rs. Million (Unaudited)	As at 31 March 2017 Rs. Million (Audited)	Fair Value Hierarchy (Level 1, 2 or 3)*
<b>Financial assets</b>			
- Current investments- mutual funds	1,310.63	3,444.44	1
- Non-current investments - quoted	8.88	8.23	1
- Non-current investments - un quoted	9.26	9.26	3
<b>Total</b>	<b>1,328.77</b>	<b>3,461.93</b>	
<b>Financial liabilities</b>			
- Deferred consideration payable	467.01	457.31	3
<b>Total</b>	<b>467.01</b>	<b>457.31</b>	

##### (iii) Fair value of financial assets/liabilities (other than investment in joint venture) that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the unaudited condensed consolidated interim balance sheet approximate their fair values.

\* Level 1 - Quoted price in an active market.

\* Level 2 - Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract rates, discounted at a rate that reflects the credit risk of various counterparties.

Level 3 - Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to Apollo.

## 8 Earnings Per Share (EPS)

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	Quarter ended June 30, 2017 (Unaudited)	Quarter ended June 30, 2016 (Unaudited)
<b>Basic &amp; Diluted Earnings Per Share</b>		
Profit attributable to the equity shareholders used as numerator (Rs. Million) - (A)	883.00	3,155.44
The weighted average number of equity shares outstanding during the quarter used as denominator - (B)	509,024,770	509,024,770
Basic / Diluted earnings per share (Rs.) - (A)/(B) (Eps value of Rs. Each)	1.73	6.20



**Apollo Tyres Limited**  
**Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements**  
**for the quarter ended June 30, 2017**

**9 Disclosure of Related Party Transactions**

**i) Name of the Related Parties**

<b>Particulars</b>	<b>Quarter ended June 30, 2017 (Unaudited)</b>	<b>Quarter ended June 30, 2016 (Unaudited)</b>
<b>Companies in which directors are interested</b>	Apollo International Ltd. Apollo International Trading LLC, Middle East Encorp E Services Ltd. UFO Moviez India Ltd. Landmark Farms & Housing Pvt. Ltd. Sunlife Trade Links Pvt Ltd Bespoke Tours & Travels Ltd. Dusk Valley Technologies Ltd. Classic Auto Tubes Limited PTL Enterprises Ltd. Apollo Finance Ltd. Artemis Medicare Services Limited Artemis Health Sciences Ltd. Regent Properties Swaranganga Consultants P Ltd. J & S Systems Corporation, U.K. Sacred Heart Investment Co. Pvt. Ltd. Milers Global (P) Ltd Shardul Amarchand Mangaldas & Co.	Apollo International Ltd. Apollo International Trading LLC, Middle East Encorp E Services Ltd. UFO Moviez India Ltd. Landmark Farms & Housing Pvt. Ltd. Sunlife Trade Links Pvt Ltd Bespoke Tours & Travels Ltd. Dusk Valley Technologies Ltd. Classic Auto Tubes Limited PTL Enterprises Ltd. Apollo Finance Ltd. Artemis Medicare Services Limited Artemis Health Sciences Ltd. Regent Properties Swaranganga Consultants P Ltd. J & S Systems Corporation, U.K. Sacred Heart Investment Co. Pvt. Ltd. Milers Global (P) Ltd Shardul Amarchand Mangaldas & Co.
<b>Associate</b>	Pressurite (Pty) Ltd. South Africa	Pressurite (Pty) Ltd. South Africa
<b>Joint venture</b>	Pan Aridus LLC	Pan Aridus LLC
<b>Key management personnel</b>	Mr Onkar S Kanwar Mr Neeraj Kanwar	Mr Onkar S Kanwar Mr Neeraj Kanwar
<b>Relatives of key management personnel</b>	Mr Raaja Kanwar	Mr Raaja Kanwar

**Notes**

Related parties and their relationships are as identified by the management and relied upon by the auditors.





**Apollo Tyres Limited**  
**Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements**  
**for the quarter ended June 30, 2017**

**ii) Transaction and Balances with Related Parties:**

**a) Transactions:**

**Rs. Million**

Particulars	Companies in which Directors are interested	
	Quarter ended June 30, 2017 (Unaudited)	Quarter ended June 30, 2016 (Unaudited)
<b>Sales: Finished Goods:</b>		
Apollo International Trading LLC, Middle East	-	2.40
Apollo International Ltd.	107.54	263.57
	<b>107.54</b>	<b>265.97</b>
<b>Sales: Raw Materials:</b>		
Classic Auto Tubes Limited	<b>9.07</b>	<b>17.78</b>
<b>Rent Income:</b>		
PTL Enterprises Ltd.	0.09	0.03
Bespoke Tours & Travels Ltd	-	0.23
Classic Auto Tubes Limited	0.03	0.03
	<b>0.12</b>	<b>0.29</b>
<b>Reimbursement/cross charge of Expenses Received:</b>		
Classic Auto Tubes Limited	2.42	2.54
Apollo International Ltd.	0.60	0.15
PTL Enterprises Ltd.	0.22	0.22
	<b>3.24</b>	<b>2.91</b>
<b>Purchases:</b>		
Classic Auto Tubes Limited	<b>153.56</b>	<b>196.78</b>
<b>Legal and Professional Charges:</b>		
Shardul Amarchand Mangaldas & Co	<b>2.14</b>	<b>1.68</b>
<b>Reimbursement of Expenses:</b>		
PTL Enterprises Ltd.	149.28	135.00
Classic Auto Tubes Limited	186.25	109.00
	<b>335.53</b>	<b>244.00</b>
<b>Services Received:</b>		
Artemis Medicare Services Limited	0.03	0.04
Classic Auto Tubes Limited	-	0.10
	<b>0.03</b>	<b>0.14</b>
<b>Lease Rent Expense:</b>		
PTL Enterprises Ltd.	126.25	125.63
Sunlife Trade Links Pvt Ltd	6.80	6.78
Landmark Farms & Housing Pvt Ltd.	6.00	6.00
Regent Properties	5.40	5.40
Classic Auto Tubes Limited	0.03	0.03
Milers Global (P) Ltd	0.76	0.76
	<b>145.24</b>	<b>144.60</b>
<b>Conversion Charges:</b>		
Classic Auto Tubes Limited	<b>248.72</b>	<b>260.80</b>



**Apollo Tyres Limited**

**Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements  
for the quarter ended June 30, 2017**

Rs. Million

Particulars	Companies in which Directors are interested	
	Quarter ended June 2017 (Unaudited)	Quarter ended June 2016 (Unaudited)
<b>Mixing Expenses:</b> Classic Auto Tubes Limited	71.66	89.13
<b>Travelling Expenses:</b> Bespoke Tours & Travels Ltd.	-	72.16
<b>Conference Expenses:</b> Bespoke Tours & Travels Ltd.	-	6.57

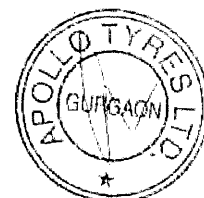
Rs. Million

Particulars	Key Management Personnel	
	Quarter ended June 2017 (Unaudited)	Quarter ended June 2016 (Unaudited)
<b>Managerial Remuneration:</b> Mr. Onkar S. Kanwar	57.71	114.34
Mr. Neeraj Kanwar	43.15	77.23
	<b>100.86</b>	<b>191.57</b>

**b) Balances:**

Rs. Million

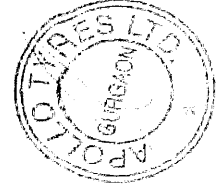
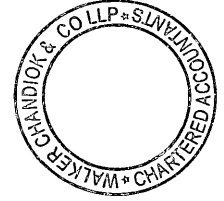
Particulars	As at June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)
<b>Trade Payable:</b> Classic Auto Tubes Limited	89.04	31.25
Shardul Amarchand Mangaldas & Co	0.52	-
	<b>89.56</b>	<b>31.25</b>
<b>Other Current Liabilities (financial):</b> Classic Auto Tubes Limited	55.01	27.37
<b>Other Non Current Assets (financial/non-financial):</b> PTL Enterprises Ltd.	500.00	500.00
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 (P) Ltd	0.75	0.75
Classic Auto Tubes Limited	129.27	106.45
	<b>647.28</b>	<b>624.46</b>
<b>Trade Receivables:</b> Classic Auto Tubes Limited	11.35	1.54
Apollo International Ltd	47.96	116.03
	<b>59.31</b>	<b>117.57</b>
<b>Other Current Assets:</b> PTL Enterprises Ltd.	53.72	56.43
Apollo International Ltd	0.24	0.15
Classic Auto Tubes Limited	0.61	0.62
	<b>54.57</b>	<b>57.20</b>



Apollo Tyres Limited  
Notes forming part of the unaudited condensed consolidated interim financial statements for the quarter ended June 30, 2017

10 Property, plant & equipments and other intangible assets

Description of assets	Gross block						Accumulated depreciation / amortization				Net block	
	As at March 31, 2017 (Audited)	Additions	Disposals	Effect of foreign currency translation	As at June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Effect of foreign currency translation	As at June 30, 2017 (Unaudited)	As at June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)
<b>A. PROPERTY, PLANT &amp; EQUIPMENTS</b>												
Freehold land	2,189.94		-	120.47	2,310.41					2,310.41	2,189.94	
Leasehold land	189.64				189.64	18.39	0.53			18.92	171.25	
Buildings	14,578.05	22.08	49.50	266.68	14,817.32	4,665.79	104.54	7.43	146.80	4,929.70	9,892.27	
Plant and equipment	92,392.48	1,606.30	11.17	2,369.44	96,357.05	46,933.58	899.49	3.83	1,905.75	49,734.99	45,458.90	
Electrical installation	1,980.55	9.96	4.03		1,986.48	967.36	49.01	4.03		1,012.34	1,013.19	
Furniture & fixtures	2,480.63	13.73	0.54	60.86	2,554.70	1,468.16	59.24	0.44	35.72	1,562.68	1,012.47	
Office equipments	888.04	17.25	1.21	53.02	957.10	595.07	19.92	1.21	38.16	652.94	291.97	
Vehicles	878.44	1.48	14.39	16.34	863.87	526.78	27.43	12.01	18.09	560.29	323.58	
<b>Total Tangible Assets</b>	<b>115,577.78</b>	<b>1,670.80</b>	<b>80.84</b>	<b>2,888.83</b>	<b>120,056.57</b>	<b>55,196.13</b>	<b>1,160.16</b>	<b>28.95</b>	<b>2,144.52</b>	<b>58,471.86</b>	<b>61,584.71</b>	<b>60,381.65</b>
<b>B. OTHER INTANGIBLE ASSETS</b>												
Computer software	2,640.06	38.39	-	157.53	3,035.98	2,007.70	52.79		117.16	2,177.65	858.33	
Trademarks	1,854.47			126.20	1,980.67	41.11			1.63	42.74	1,937.93	
Capitalized development	3,937.93	202.53		277.46	4,417.94	2,122.70	45.51		147.13	2,315.34	2,102.60	
Other intangibles	298.62			20.47	319.29						319.29	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>8,931.28</b>	<b>240.92</b>		<b>581.68</b>	<b>9,753.88</b>	<b>4,171.51</b>	<b>99.30</b>		<b>265.92</b>	<b>4,535.73</b>	<b>5,218.15</b>	<b>4,759.77</b>



**Apollo Tyres Limited**  
**Notes Forming Part of the Unaudited Condensed Consolidated Interim Financial Statements**  
**for the quarter ended June 30, 2017**

**11 Segment Information**

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates Apollo's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments which have been defined based on the geographical presence of various entities:

APMEA (Asia Pacific, Middle East and Africa)  
 Europe  
 Others

APMEA segment includes manufacturing and sales operation through India and include entities in UAE, Thailand, Malaysia and South Africa. Europe segment includes manufacturing and sales operation through the entities in Europe. Others segment includes sales operations in Americas and all other corporate entities.

The accounting principles used in the preparation of the unaudited condensed consolidated interim financial statements are consistently applied in individual entities to prepare segment reporting.

Particulars	Rs. Million		
	Quarter ended June 30, 2017 (Unaudited)	Quarter ended June 30, 2016 (Unaudited)	Year ended March 31, 2017* (Audited)
<b>1. Segment Revenue</b>			
APMEA	25,845.00	25,611.25	101,121.22
Europe	10,163.78	10,548.41	42,937.38
Others	7,011.80	3,030.94	15,037.24
<b>Total Segment Revenue</b>	<b>43,020.58</b>	<b>39,190.60</b>	<b>159,095.84</b>
Less: Inter Segment Revenue	7,647.04	3,545.16	17,396.28
<b>Segment Revenue</b>	<b>35,373.54</b>	<b>35,645.44</b>	<b>141,699.56</b>
<b>2. Segment Results</b>			
APMEA	1,146.29	3,615.02	11,781.50
Europe	242.62	933.46	3,093.12
Others	221.68	47.88	411.36
<b>Total Segment Results</b>	<b>1,610.59</b>	<b>4,596.36</b>	<b>15,285.98</b>
Less: Interest Expenses	340.48	269.37	1,028.81
Less: Other Unallocable Corporate Expenses / Eliminations	48.96	(9.90)	(101.33)
<b>Profit Before Exceptional Items, share of profit/ (loss) from joint venture and Tax</b>	<b>1,221.15</b>	<b>4,336.89</b>	<b>14,358.50</b>
Exceptional Items	-	-	-
Share of (net)/ profit in joint venture	-	(0.36)	(3.05)
<b>Profit Before Tax</b>	<b>1,221.15</b>	<b>4,336.53</b>	<b>14,355.45</b>
<b>3. Segment Assets</b>			
APMEA	91,684.40	72,459.68	86,614.69
Europe	68,668.12	52,453.56	61,882.99
Others	8,140.95	5,749.61	6,964.31
<b>Total Segment Assets</b>	<b>168,493.47</b>	<b>130,662.85</b>	<b>157,461.99</b>
Unallocable / Eliminations	(5,210.55)	(3,227.57)	(4,457.23)
<b>Total Segment Assets</b>	<b>163,282.92</b>	<b>127,435.28</b>	<b>153,004.76</b>
<b>4. Segment Liabilities</b>			
APMEA	50,671.30	34,429.23	46,342.14
Europe	36,854.04	25,996.02	33,554.42
Others	5,123.74	2,872.71	4,635.80
<b>Total Segment Liabilities</b>	<b>92,649.08</b>	<b>63,297.96</b>	<b>84,532.36</b>
Unallocable / Eliminations	(5,107.98)	(3,147.43)	(4,427.14)
<b>Total Segment Liabilities</b>	<b>87,541.10</b>	<b>60,150.53</b>	<b>80,105.22</b>
<b>5. Capital Employed</b>			
APMEA	41,013.10	38,030.45	42,272.55
Europe	31,814.08	26,457.54	28,328.57
Others	3,017.21	2,876.90	2,328.51
<b>Total Segment Capital Employed</b>	<b>75,844.39</b>	<b>67,364.89</b>	<b>72,929.63</b>
Unallocable / Eliminations	(102.57)	(80.14)	(30.09)
<b>Total Capital Employed</b>	<b>75,741.82</b>	<b>67,284.75</b>	<b>72,899.54</b>

\* In Fiscal year 2018 our reporting segments was changed to "APMEA", "Europe" and "Others" from "APMEA", "EA (Europe and Americas)" and "Others". Therefore, the figures for the year ended March 31, 2017 have been reclassified accordingly.

This is the selected explanatory notes to the Unaudited Condensed Consolidated Interim Financial Statements referred in our report of even date.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP  
 Chartered Accountants  
 Firm Registration No: 001076N / N500013

*D Jones*  
 D Jones  
 Partner  
 Membership No 98113

Place: Gurgaon  
 Date: 03 October, 2017



For and on behalf of Board of Directors of  
 Apollo Tyres Limited

*Onkar S. Kanwar*  
 ONKAR S. KANWAR  
 Chairman & Managing Director

*Neeraj Kanwar*  
 NEERAJ KANWAR  
 Vice Chairman & Managing Director

*Gaurav Kumar*  
 GAURAV KUMAR  
 Chief Financial Officer

*Seema Thapar*  
 SEEMA THAPAR  
 Company Secretary

