Independent Auditor's Report

To the Members of Apollo Tyres Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Apollo Tyres Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit procedures addressed the key audit matter
A. Provision for sales related obligations As at 31 March 2022, the Company carries provisions for sales related obligations amounting to ₹ 1,482.86 million (Refer note C6). Such provision is recognised based on past trends, frequency, expected cost of obligations, management estimates regarding possible future incidences and appropriate discount rates for non-current portion of the obligations. These estimates require high degree of management judgement with respect to the underlying assumptions, thus giving rise to inherent subjectivity in determining the amounts to be recorded in the financial statements. Considering the materiality of the above matter to the financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.	Our audit procedures included, but were not limited to the following: a) Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of recognition, measurement and completeness of the sales related obligations; b) Tested the management's computation of sales related obligations by evaluating the reasonability of the key assumptions, reviewing the contractual terms, comparing the assumptions to historical data and analysing the expected costs of incidences; c) Traced the inputs used in the computations, to the relevant accounting records, including discussions with the relevant management personnel and tested the arithmetical accuracy of the computation; d) Compared the amounts recognized as provision in the past years with the corresponding settlements and assessed whether the aggregate provisions recognized as at the current year-end were sufficient to cover expected costs in light of known and expected incidences;

Key audit matter	How our audit procedures addressed the key audit matter
	e) Performed sensitivity analysis on the management's computation by evaluating the impact of change on the obligation by changing certain key assumptions such as discount rates used; and f) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.
B. Litigations and claims: provisions and contingent liabilities As included under Note C15 (a) [contingent liability note] and Note C6 [Provision for contingencies note] to the standalone financial statements, the Company is involved in direct and indirect tax litigations ('litigations') amounting to ₹ 2882.46 million that are pending with various tax authorities. Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognised or disclosed in the standalone financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year.	Our procedures included, but were not limited to, the following: a) Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof; b) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts; c) Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved; d) Assessed management's conclusions through discussions held with their in house tax experts and understanding precedents in similar cases; e) Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities; f) Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management; and g) Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid and provided remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us

        i. the Company, as detailed in note C15 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

        ii. the Company has made provision as at 31 March 2022, 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 INR 5.70 million (31 March 2021: INR 4.86 million) pertaining to amount of dividend which has not been transferred as per the orders/ instructions dated 14 June 2001 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992;

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. As stated in note C23 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIVHSU3731

Place: Gurugram
Date: 12 May 2022

Annexure I

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Apollo Tyres Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including right of use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment (including right of use assets) under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment (including right of use assets) were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company, except for certain lands included under the head 'Capital work in progress', (admeasuring 8,836,150 square feet and carrying a cost of Rs. 297.70 million), the title deeds to which, according to the information and explanation given to us, are yet to be transferred in the name of the Company as explained in Note B1 to the standalone financial statements. Immovable properties in the nature of land whose title deeds have been pledged as security for loans are held in the name of the Company, which is verified from confirmations directly received by us from lenders. In respect of immovable properties in the nature of land and building that have been taken on lease and disclosed under the head right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the agreements.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of Rs. 50 million sanctioned by banks or financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such statements are in agreement with the books of account of the Company for the respective periods.

(iii) (a) The Company has provided loans to others during the year. The details of the same are given below:

(₹ million)

Particulars	Loans
Aggregate amount granted/provided during the year - Others	47.09
Balance outstanding as at balance sheet date out of the above cases - Others	18.27

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments/receipts of principal are regular. Further, no interest is receivable on such loans.

(d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(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 Act in respect of loans, investments, guarantees and security, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	**Nature of dues**	**Gross Amount (₹ million)**	**Amount paid under Protest (₹ million)**	**Period to which the amount relates**	**Forum where dispute is pending**
Sales Tax Act applicable to various states	Sales tax	203.51	78.37	1992-93 to 2020-21	Various appellate authorities/ Revenue board/ High Court
Central Excise Act, 1944/ Customs Act, 1962	Excise duty, Custom duty and additional excise duty	599.75	20.69	2002-03 to 2017-18	Various appellate authorities/ Supreme Court
Finance Act, 1994	Service tax	545.39	37.63	2004-05 to 2017-18	Various appellate authorities
Income-tax Act, 1961	Income tax	1,670.51	232.10	1990-91 to 2015-16	Various appellate authorities/ High Court

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks or financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIVHSU3731

Place: Gurugram
Date: 12 May 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Apollo Tyres Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AIVHSU3731

Place: Gurugram
Date: 12 May 2022

Balance Sheet

as on March 31, 2022

₹ Million

	Notes	As on March 31, 2022	As on March 31, 2021
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	B1	112,630.93	96,720.48
(b) Capital work-in-progress	C28	5,480.36	10,299.55
(c) Right of use assets	C5	5,223.37	5,244.92
(d) Intangible assets	B1	439.00	375.95
(e) Financial assets			
i. Investments	B2	24,239.90	24,097.21
ii. Other financial assets	B3	3,940.46	3,688.30
(f) Other non-current assets	B4	336.11	2,232.35
Total non-current assets		**152,290.13**	**142,658.76**
2. Current assets			
(a) Inventories	B5	24,638.92	20,766.00
(b) Financial assets			
i. Investments	B6	4,506.06	900.68
ii. Trade receivables	B7	9,959.83	7,320.36
iii. Cash and cash equivalents	B8	3,154.06	2,258.12
iv. Bank balances other than (iii) above	B9	2,100.20	11,744.38
v. Other financial assets	B10	1,280.09	2,896.99
(c) Other current assets	B11	2,296.03	3,089.19
Total current assets		**47,935.19**	**48,975.72**
TOTAL ASSETS (1+2)		**200,225.32**	**191,634.48**
B EQUITY AND LIABILITIES			
1. Equity			
(a) Share capital	B12	635.10	635.10
(b) Other equity		94,549.64	94,090.51
Total equity		**95,184.74**	**94,725.61**
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	B13	35,310.10	36,604.31
ii. Lease liabilities	C5	4,666.99	4,651.60
iii. Other financial liabilities	B14	–	30.72
(b) Provisions	B15	490.44	494.75
(c) Deferred tax liabilities (net)	C7(ii)	7,053.34	6,733.74
(d) Other non-current liabilities	B16	6,057.37	5,104.79
Total non-current liabilities		**53,578.24**	**53,619.91**
3. Current Liabilities			
(a) Financial liabilities			
i. Borrowings	B17	8,552.79	6,860.99
ii. Lease liabilities	C5	849.36	699.47
iii. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	C26	713.73	629.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	B18	27,129.40	18,663.55
iv. Other financial liabilities	B19	9,645.67	11,613.26
(b) Other current liabilities	B20	2,179.76	2,191.42
(c) Provisions	B21	1,947.76	1,923.37
(d) Current tax liabilities (net)	B22	443.87	707.87
Total current liabilities		**51,462.34**	**43,288.96**
TOTAL EQUITY AND LIABILITIES (1+2+3)		**200,225.32**	**191,634.48**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Gurugram
May 12, 2022

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No - FCS 6690

Statement of Profit and Loss

for the year ended March 31, 2022

₹ Million

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
1.	**Revenue from operations:**			
	Sales		143,067.87	113,545.12
	Other operating income	B23	3,426.17	3,788.89
			146,494.04	**117,334.01**
2.	**Other income**	B24	1,268.96	1,215.23
3.	**Total income (1 +2)**		**147,763.00**	**118,549.24**
4.	**Expenses :**			
	(a) Cost of materials consumed	B25	94,937.71	62,383.17
	(b) Purchase of stock-in-trade	B25	8,465.86	6,948.31
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	B26	(3,484.45)	69.15
	(d) Employee benefits expense	B25	10,240.18	9,109.01
	(e) Finance costs	B27	3,821.56	3,794.14
	(f) Depreciation and amortisation expense	B1	8,239.13	7,133.77
	(g) Other expenses	B25	22,026.81	18,481.14
	Total expenses		**144,246.80**	**107,918.69**
5.	**Profit before exceptional items and tax (3 - 4)**		3,516.20	10,630.55
6.	**Exceptional items**	C32	12.68	110.16
7.	**Profit before tax (5 - 6)**		**3,503.52**	**10,520.39**
8.	Tax expense:	C7		
	(a) Current tax expense		611.59	1,904.39
	(b) Deferred tax		281.29	1,387.79
	Total		**892.88**	**3,292.18**
9.	**Net profit for the year (7 - 8)**		**2,610.64**	**7,228.21**
10.	**Other comprehensive income**			
I	i. Items that will not be reclassified to profit or loss			
	a. Remeasurements of the defined benefit plans		(41.71)	69.68
	ii. Income tax		14.58	(24.35)
			(27.13)	**45.33**
II	i. Items that may be reclassified to profit or loss			
	a. Effective portion of (loss) on designated portion of hedging instruments in a cash flow hedge		151.36	25.51
	ii. Income tax		(52.89)	(8.91)
			98.47	**16.60**
	Other comprehensive income (I + II)		71.34	61.93
	Total comprehensive income for the year (9 + 10)		**2,681.98**	**7,290.14**
	Earnings per share (of Re 1 each)	C35		
	(a) Basic (₹)		4.11	11.72
	(b) Diluted (₹)		4.11	11.72

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Walker Chandiok & Co LLP**
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Firm's Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Gurugram
May 12, 2022

For and on behalf of the Board of Directors

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Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No - FCS 6690

Statement of Changes in Equity
for the year ended March 31, 2022

Other Equity

₹ Million

	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Capital reserve on AMHPL merger	Debenture redemption reserve	Capital subsidy	Capital redemption reserve	Capital reserve on forefeiture of shares	Retained earnings	Effective portion of cash flow hedge	Revaluation surplus	
Balance as on March 31, 2020	**20,866.72**	**15,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**38,065.61**	**(113.91)**	**31.22**	**76,349.42**
Profit for the year								7,228.21			7,228.21
Effective portion of cash flow hedge (net)									16.60		16.60
Remeasurements of the defined benefit plans (net)								45.33			45.33
Total comprehensive income for the year								**7,273.54**	**16.60**		**7,290.14**
Transfer from retained earnings		1,000.00						(1,000.00)			-
Transaction with owners in their capacity as owners											
Share premium on issue of shares, net (refer note C31)	10,450.95										10,450.95
Balance as on March 31, 2021	**31,317.67**	**16,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**44,339.15**	**(97.31)**	**31.22**	**94,090.51**
Profit for the year								2,610.64			2,610.64
Effective portion of cash flow hedge (net)									98.47		98.47
Remeasurements of the defined benefit plans (net)								(27.13)			(27.13)
Total comprehensive income for the year								**2,583.51**	**98.47**		**2,681.98**
Transfer from retained earnings		1,000.00						(1,000.00)			-
Transaction with owners in their capacity as owners											
Payment of dividend (Rs. 3.50 per share)								(2,222.85)			(2,222.85)
Balance as on March 31, 2022	**31,317.67**	**17,006.63**	**1,383.68**	**1,039.50**	**25.50**	**44.40**	**0.07**	**43,699.81**	**1.16**	**31.22**	**94,549.64**

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Gurugram
May 12, 2022

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman & Managing Director
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DIN 00058951

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Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No - FCS 6690

Cash Flow Statement

for the year ended March 31, 2022

₹ Million

			Year ended March 31, 2022		Year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
(i)	**Profit before tax**		3,503.52		10,520.39
Add:	**Adjustments for:**				
	Depreciation and amortisation expenses	8,239.13		7,133.77	
	(Profit) on sale of property, plant and equipment (net)	(81.39)		(20.34)	
	Dividend from current investments	(24.15)		(2.88)	
	Unwinding of deferred income	(1,540.68)		(1,572.57)	
	Finance cost	3,821.56		3,794.14	
	Interest income	(396.60)		(816.20)	
	Unrealised (gain) on foreign exchange fluctuations	(132.66)	**9,885.21**	(175.19)	**8,340.73**
(ii)	**Operating profit before working capital changes**		**13,388.73**		**18,861.12**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(3,872.92)		(2,683.49)	
	Trade receivables	(2,573.34)		(2,872.41)	
	Other financial assets (current and non-current)	1,421.88		(3,809.44)	
	Other assets (current and non-current)	761.04	**(4,263.34)**	482.15	**(8,883.19)**
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	8,617.08		3,363.49	
	Other financial liabilities (current and non-current)	(470.32)		2,186.59	
	Other liabilities (current and non-current)	24.69		1,051.99	
	Provisions (current and non-current)	20.08	**8,191.53**	112.89	**6,714.96**
(iii)	**Cash generated from operations**		**17,316.92**		**16,692.89**
Less:	Income taxes paid (net of refund)		875.59		1,756.03
	Net cash generated from operating activities		**16,441.33**		**14,936.86**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment and intangible assets	(15,598.87)		(9,825.83)	
	Proceeds from sale of property, plant and equipment and intangible assets	231.97		105.93	
	Investments in mutual funds, net	(3,605.38)		(900.00)	
	Non-current investment matured /(made), net	0.77		(0.24)	
	Investment in subsidiary company	(49.00)		(1.00)	
	Investment in associate company	(93.30)		–	
	Maturity of / (Investments) in fixed deposits, net	9,650.00		(11,650.00)	
	Dividends received from current investments	24.15		2.88	
	Interest received	475.28		662.46	
	Net cash used in investing activities		**(8,964.38)**		**(21,605.80)**

Cash Flow Statement (Contd..)

for the year ended March 31, 2022

₹ Million

		Year ended March 31, 2022		Year ended March 31, 2021	
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of compulsory convertible preference shares	–		10,800.00	
	Proceeds from non-current borrowings	14,000.00		10,750.00	
	Repayment of non-current borrowings	(14,599.08)		(589.04)	
	Proceeds from/ (Repayment) of Current borrowings (net) (excluding current maturities of non-current borrowings)	1,000.00		(10,180.00)	
	Payment of dividend	(2,222.85)		–	
	Payment of lease liabilities	(1,340.64)		(1,269.98)	
	Finance charges paid	(3,417.77)		(2,844.34)	
	Net cash (used in) / generated from financing activities		**(6,580.34)**		**6,666.64**
	Net increase/ (decrease) in cash and cash equivalents		**896.61**		**(2.30)**
	Cash and cash equivalents as at the beginning of the year		2,258.12		2,256.26
Less:	Cash credits as at the beginning of the year		4.85		0.69
	Adjusted cash and cash equivalents as at beginning of the year		**2,253.27**		**2,255.57**
	Cash and cash equivalents as at the end of the year		3,154.06		2,258.12
Less:	Cash credits as at the end of the year		4.18		4.85
	Adjusted cash and cash equivalents as at the end of the year		**3,149.88**		**2,253.27**

See accompanying notes forming part of the financial statements
In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Gurugram
May 12, 2022

For and on behalf of the Board of Directors

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Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No - FCS 6690

1 Corporate information

The principal business activity of Apollo Tyres Limited ('the Company') is manufacturing and sale of automotive tyres. The Company started its operations in 1972 with its first manufacturing plant at Perambra in Kerala.

The Company's largest operations are in India and comprises five tyre manufacturing plants, two located in Cochin and one each at Vadodara, Chennai and Andhra Pradesh and various sales and marketing offices spread across the country. The Company's European subsidiaries Apollo Vredestein BV ('AVBV') and Apollo Tyres (Hungary) Kft. have a manufacturing plant in the Netherlands and Hungary respectively and has sales and marketing subsidiaries all over Europe. The Company also has sales and marketing subsidiaries in Middle East, Africa and ASEAN region.

2 RECENT ACCOUNTING PRONOUNCEMENTS

2.1 Amended standards adopted by the Company

Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- o A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- o Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- o Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Company.

2.2 Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") vide its notification dated March 23, 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments have been made to the following standards.

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments listed above will be effective on or after April 1, 2022 and are not expected to significantly affect the current or future periods.

3 Basis of accounting and preparation of financial statements

3.1 Statement of Compliance

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The financial statements for the year ended March 31, 2022 were authorised and approved for issue by the Board of Directors on May 12, 2022.

3.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share Based Payment, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

3.3 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a Company.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

3.4 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in progress and finished goods, cost is determined on a First In First Out basis.

3.5 Taxation

Income tax expense recognised in Standalone Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset is created by way of a credit to the Standalone Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.6 Property, plant and equipment ('PPE')

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under leases are depreciated over their expected lease term on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful life considered for the assets are as under.

Category of assets	Number of years
Building	5 - 60
Plant and equipment	3 - 25
Electrical installations	1 - 10
Furniture and fixtures	4 - 10
Vehicles	4 - 10
Office equipment	4 - 10

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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

Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

The useful life considered for the intangible assets are as under:

Category of Assets	Number of years
Computer Software	3-6

3.8 Revenue recognition

In accordance with Ind AS 115, the Company recognises the amount as revenue from contracts with customers, which is received for the transfer of promised goods to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Company recognises revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. To determine when to recognise revenue and at what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer.

Revenues for services are recognised when the service rendered has been completed."

3.9 Other income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Royalty income is recognised on accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.10 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other current and non-current employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic basis over the expected useful life of the related assets.

Government grants related to the income are deferred and recognized in the Statement of Profit and Loss as an income in the period in which related obligations are met.

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established.

Export incentives earned in the year of exports are netted off from cost of raw material imported.

3.12 Foreign currency transactions and translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in which they arise except for:

a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

b. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

c. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction.

3.13 Employee share based payments

Stock appreciation rights (Phantom stock units) are granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the Statement of Profit and Loss.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

3.15 Leases

The Company as lessee

The Company's lease asset classes primarily consist of leases for Building and Plant and Machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

The weighted average incremental borrowing rate applied to lease liabilities is 8% p.a.

3.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.17 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.18 Provisions and contingencies

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

3.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.20.1 Classification of financial asset

a. Loans and receivable

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for investments that are designated as at FVTPL on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the 'Other Income' line item.

b. Assets available for sale

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI') (except for investments that are designated as at FVTPL on initial recognition):"

i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

c. **Assets held for trading**

A financial asset is held for trading if:

i. it has been acquired principally for the purpose of selling it in the near term; or

ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established and it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d. **Financial assets at fair value through profit and loss ('FVTPL')**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.20.2 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the

Company again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

3.20.3 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.20.4 Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in hedging relationship.

3.21 Financial liabilities and equity instruments

3.21.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.21.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

3.21.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

i. it has been incurred principally for the purpose of repurchasing it in the near term; or

ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the company is provided internally on that basis; or

iii. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 - Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

3.21.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.21.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

i amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

ii. amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115, Revenue from Contracts with Customers.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'Other Income' line item.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

3.21.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.22 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including options, foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.23 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Other income'/ 'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e., not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to the Statement of Profit and Loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect the Statement of Profit and Loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity, i.e., Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect the Statement of Profit and Loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in the Statement of Profit and Loss or to account for this element similar to the time value of an option.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

3.24 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management. The cash flow statement is prepared using indirect method.

3.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirements of Schedule III of the Act unless otherwise stated.

3.26 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgements and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

B1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2022

₹ Million

Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As on April 1, 2021	Additions	Disposals	As on March 31, 2022	As on April 1, 2021	Depreciation / amortisation expense	Eliminated on disposal of assets	As on March 31, 2022	As on March 31, 2022	As on March 31, 2021
A. Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	144.64	–	–	144.64	–	–	–	–	144.64	144.64
Leasehold land *	196.15	1.33	–	197.48	27.04	2.19 (a)	–	29.23	168.25	169.11
Buildings	22,204.31	2,417.39 (b)	116.28	24,505.42 (d)	4,442.59	877.02	20.31	5,299.30	19,206.12 (d)	17,761.72
Plant and equipment **	108,122.33	19,420.78 (b)	121.06	127,422.05	32,801.97	5,348.72	106.96	38,043.73	89,378.32	75,320.36
Electrical installations	3,692.21	569.16 (b)	1.05	4,260.32	1,869.51	303.21	1.05	2,171.67	2,088.65	1,822.70
Furniture and fixtures	2,366.75	274.99 (b)	8.04	2,633.70	1,724.74	216.18	8.04	1,932.88	700.82	642.01
Vehicles	952.44	361.90 (b)	149.73	1,164.61	413.14	132.38	109.22	436.30	728.31	539.30
Office equipment	874.01	28.33 (b)	2.47	899.87	553.37	133.15	2.47	684.05	215.82	320.64
Total tangible assets	**138,552.84**	**23,073.88**	**398.63**	**161,228.09**	**41,832.36**	**7,012.85**	**248.05**	**48,597.16**	**112,630.93**	**96,720.48**
B. Intangible assets:										
Computer software	1,033.39	199.25 (b)	–	1,232.64	657.44	136.20	–	793.64	439.00	375.95
TOTAL (A + B)	**139,586.23**	**23,273.13 (c)**	**398.63**	**162,460.73**	**42,489.80**	**7,149.05**	**248.05**	**49,390.80**	**113,069.93**	**97,096.43**

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2021

₹ Million

Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As on April 1, 2020	Additions	Disposals	As on March 31, 2021	As on April 1, 2020	Depreciation / amortisation expense	Eliminated on disposal of assets	As on March 31, 2021	As on March 31, 2021	As on March 31, 2020
A Property, plant and equipment - owned unless otherwise stated										
Land:										
Freehold land	144.64	–	–	144.64	–	–	–	–	144.64	144.64
Leasehold land *	196.09	0.06	–	196.15	24.85	2.19 (a)	–	27.04	169.11	171.24
Buildings	19,751.70	2,528.45 (b)	75.84	22,204.31 (d)	3,779.98	674.25	11.64	4,442.59	17,761.72 (d)	15,971.72
Plant and equipment **	94,806.97	13,355.80 (b)	40.44	1,08,122.33	28,230.85	4,584.70	13.58	32,801.97	75,320.36	66,576.12
Electrical installations	3,161.18	531.03 (b)	–	3,692.21	1,612.30	257.21	–	1,869.51	1,822.70	1,548.88
Furniture and fixtures	2,438.33	67.69 (b)	139.27	2,366.75	1,535.50	217.56	28.32	1,724.74	642.01	902.83
Vehicles	879.07	112.16 (b)	38.79	952.44	311.78	121.02	19.66	413.14	539.30	567.29
Office equipment	852.96	21.17 (b)	0.12	874.01	413.85	139.64	0.12	553.37	320.64	439.11
Total tangible assets	**122,230.94**	**16,616.36**	**294.46**	**138,552.84**	**35,909.11**	**5,996.57**	**73.32**	**41,832.36**	**96,720.48**	**86,321.83**
B Intangible assets:										
Computer software	874.91	158.48 (b)	–	1,033.39	554.55	102.89	–	657.44	375.95	320.36
TOTAL (A + B)	**123,105.85**	**16,774.84 (c)**	**294.46**	**139,586.23**	**36,463.66**	**6,099.46**	**73.32**	**42,489.80**	**97,096.43**	**86,642.19**

B1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS ON MARCH 31, 2022 (Contd..)

DEPRECIATION AND AMORTISATION EXPENSE

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment	7,012.85	5,996.57
Right-to-use assets	1,090.08	1,034.31
Other intangible assets	136.20	102.89
Total	**8,239.13**	**7,133.77**

* Leasehold land is net of **₹ 5.39 Million** (₹ 5.39 Million) subleased to Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.), a Company in which directors are interested since the year ended 2009-10.

** Plant and equipment include jointly owned assets with gross book value of **₹ 311.28 Million** (₹ 311.28 Million) and net book value of **₹ 200.55 Million** (₹ 213.09 Million) which represents 50% ownership in the asset.

(a) Represents proportionate lease premium **₹ 2.19 Million** (₹ 2.19 Million) amortised.

(b) Buildings include **₹ 15.61 Million** (₹ 0.24 Million), plant and equipment include **₹ 16.08 Million** (₹ 292.12 Million), electrical installations include **Nil** (₹ 0.05 Million), furniture and fixtures include **₹ 0.80 Million** (Nil), vehicles include **Nil** (₹ 93.35 Million) and computer software include **₹ 3.41 Million** (₹ 18.13 Million) relating to research and development (refer note C14).

(c) Includes directly attributable expenses capitalised to the extent of **₹ 293.41 Million** (₹ 508.51 Million) including **₹ 13.33 Million** (₹ 15.39 Million) capitalised from CWIP of previous year and borrowing cost capitalised to the extent of **₹ 442.12 Million** (₹ 992.16 Million) including **Nil** (₹ 72.24 Million) capitalised from CWIP of previous year.

(d) Buildings include buildings constructed on leasehold land with gross book value of **₹ 13,488.13 Million** (₹ 13,311.18 Million) and net book value of **₹ 9,325.37 Million** (₹ 9,628.78 Million).

(e) Carrying amount of tangible assets are pledged as security for liabilities (refer note B13 (a)).

(f) Capital work-in-progress includes land of **₹ 297.70 Million** (₹ 297.70 Million) acquired by the Company and is in the process of getting the title deeds transferred to its name.

FINANCIAL ASSETS (NON-CURRENT)

B2 INVESTMENTS

₹ Million

		As on March 31, 2022	As on March 31, 2021
I	**At fair value through profit and loss**		
A	**Quoted investments ***		
	Investment in equity instruments:		
	16,394 (16,394) equity shares of ₹ 10/- each in Bharat Gears Limited - fully paid up	2.36	1.20
B	**Unquoted investments ****		
	Investment in equity instruments:		
	Other companies:		
	312,000 (312,000) equity shares of ₹ 10 each in Green Infra Wind Power Projects Limited - fully paid up	3.12	3.12
	2,256,000 (2,256,000) equity shares of ₹ 30 each in Suryadev Alloys and Power Private Limited - fully paid up	67.68	67.68
	217,100 (284,000) equity shares of ₹ 11.50 each in OPG Power Generation Private Limited - fully paid up	2.50	3.27
		73.30	**74.07**
	Investments carried at fair value through profit and loss	**75.66**	**75.27**
II	**At cost**		
	Unquoted investments **		
(a)	**Investment in equity instruments:**		
	Subsidiary companies:		
	50,001 (50,001) equity shares of EUR 0.72 each in Apollo Tyres (Green Field) B. V. - fully paid up	2.74	2.74
	5,000,000 (100,000) equity shares of ₹ 10 each in Apollo Tyres Centre of Excellence Limited - fully paid up	50.00	1.00
	Associate company:		
	3,334 (3,334) equity shares of ₹ 10 each in KT Telematic Solutions Private Limited - fully paid up	45.01	45.01
	1,166,250 (Nil) equity shares of ₹ 10 each in CSE Deccan Private Limited - fully paid up	93.30	–
(b)	**Investment in membership interest:**		
	Apollo Tyres Co-operatief U.A. - wholly owned subsidiary	23,973.19	23,973.19
	Investments carried at cost	**24,164.24**	**24,021.94**
		24,239.90	**24,097.21**

*	Aggregate amount of quoted investments at cost	0.36	0.36
	Aggregate amount of quoted investments at market value	2.36	1.20
**	Aggregate amount of unquoted investments at cost	24,237.54	24,096.01

B3 OTHER FINANCIAL ASSETS

₹ Million

	As on March 31, 2022	As on March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Employee advances - salary loan	19.06	19.36
Security deposits	229.75	208.52
Security deposits to related parties (refer note C20)	307.97	278.97
Security deposits with statutory authorities	372.42	394.12
Investment promotion subsidy receivable (refer note C8(a))	1,956.66	1,811.72
Derivative assets measured at fair value (refer note C10)	1,054.60	975.61
	3,940.46	**3,688.30**

NON-FINANCIAL ASSETS (NON-CURRENT)

B4 OTHER NON - CURRENT ASSETS

₹ Million

	As on March 31, 2022	As on March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Capital advances	138.27	2,050.08
Capital advances to related parties (refer note C20)	194.27	152.44
	332.54	**2,202.52**
Statutory balances recoverable	2.58	2.58
Others [refer note C10 {f(1)}]	0.99	27.25
	336.11	**2,232.35**

CURRENT ASSETS

B5 INVENTORIES

₹ Million

	As on March 31, 2022	As on March 31, 2021
(valued at lower of cost and net realizable value)		
(i) Raw materials		
- In hand	8,574.19	8,031.27
- In transit	701.50	1,090.03
	9,275.69	**9,121.30**
(ii) Work-in-progress *	1,706.10	1,663.64
(iii) Finished goods		
- In hand	9,714.94	7,036.10
- In transit	930.74	598.21
	10,645.68	**7,634.31**
(iv) Stock-in-trade		
- In hand	1,427.84	1,003.69
- In transit	23.87	17.40
	1,451.71	**1,021.09**
(v) Stores and spares	1,559.74	1,325.66
	24,638.92	**20,766.00**

* Work-in-progress consists of only automotive tyres.

FINANCIAL ASSETS (CURRENT)

B6 INVESTMENTS

₹ Million

	As on March 31, 2022	As on March 31, 2021
At fair value through profit and loss:		
Quoted investments *		
Investment in mutual funds	4,506.06	900.68
	4,506.06	**900.68**

* Mutual Funds	Number of Units	Amount in (₹ Million)	Number of Units	Amount in (₹ Million)
Aditya Birla Sun Life Overnight Fund - Growth Option, Direct Plan	435,319.86	500.48	359,616.37	400.23
Axis Overnight Fund - Growth Option, Direct Plan	445,290.88	500.44	460,008.44	500.45
Kotak Overnight Fund - Growth Option, Direct Plan	442,051.36	501.20	–	–
HDFC Overnight Fund - Direct Plan Growth option	1,58,363.19	500.02	–	–
ICICI Prudential Overnight Fund - Growth Option, Direct Plan	4,365,688.39	500.34	–	–
IDFC Overnight Fund Growth Option, Direct Plan	4,41,380.74	500.43	–	–
Nippon India Overnight Fund - Growth Option, Direct Plan	4,404,201.29	502.60	–	–
SBI Overnight Fund Growth Option, Direct Plan	144,486.08	500.12	–	–
UTI Overnight Fund - Growth Option, Direct Plan	1,71,971.79	500.43	–	–
	11,008,753.58	**4,506.06**	**819,624.81**	**900.68**
Aggregate amount of quoted investments at cost		4,500.00		900.00
Aggregate amount of quoted investments at market value		4,506.06		900.68

B7 TRADE RECEIVABLES (refer note C27)

₹ Million

	As on March 31, 2022	As on March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Considered good *	9,959.83	7,320.36
Considered doubtful	24.40	24.40
	9,984.23	**7,344.76**
Provision for loss allowance	(24.40)	(24.40)
	9,959.83	**7,320.36**

* Includes balances with related parties (refer note C20)

B8 CASH AND CASH EQUIVALENTS

₹ Million

	As on March 31, 2022	As on March 31, 2021
(i) Balances with banks:		
Current accounts	1,854.50	904.19
Other deposit accounts		
- original maturity of 3 months or less	351.00	500.99
(ii) Cheques on hand / remittances in transit	946.78	851.13
(iii) Cash on hand	1.78	1.81
	3,154.06	**2,258.12**

B9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Million

	As on March 31, 2022	As on March 31, 2021
Unpaid dividend accounts *	100.19	94.37
Deposits with maturity exceeding 3 months but less than 12 months	2,000.01	11,650.01
	2,100.20	**11,744.38**

* These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note B19.

B10 OTHER FINANCIAL ASSETS

₹ Million

	As on March 31, 2022	As on March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Employee advances	61.72	70.94
Derivative assets measured at fair value (refer note C10)	87.29	31.75
Investment promotion subsidy receivable	1,056.02	2,640.56
Interest accrued on deposits	75.06	153.74
	1,280.09	**2,896.99**

NON-FINANCIAL ASSETS (CURRENT)

B11 OTHER CURRENT ASSETS

₹ Million

	As on March 31, 2022	As on March 31, 2021
(Unsecured, considered good unless otherwise stated)		
a. Trade advances- considered good	367.95	491.84
Doubtful advances	20.56	20.56
Provision for doubtful advances	(20.56)	(20.56)
	367.95	**491.84**
b. Advances given to related parties (refer note C20)	670.64	564.68
c. Employee advances	64.28	52.32
d. Export obligations - advance licence benefit	481.35	304.73
e. Export incentives recoverable	120.54	109.93
f. Balance with statutory authorities	309.04	1,290.36
g. Gratuity (refer note C9)	32.57	–
h. Prepaid expenses	249.66	275.33
	2,296.03	**3,089.19**

B12 SHARE CAPITAL

₹ Million

	As on March 31, 2022	As on March 31, 2021
(a) Authorised		
750,000,000 Nos. (750,000,000 Nos.) equity shares of Re.1 each	750.00	750.00
150,000,000 Nos. (150,000,000 Nos.) cumulative redeemable preference shares of ₹100 each	15,000.00	15,000.00
	15,750.00	**15,750.00**
(b) Issued, subscribed, called and fully paid up		
Equity shares of Re 1 each:		
635,100,946 Nos. (635,100,946 Nos.) equity shares	635.10	635.10
	635.10	**635.10**

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

	As on March 31, 2022		As on March 31, 2021	
	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million
Opening balance	635,100,946	635.10	572,049,980	572.05
Add: Conversion of compulsory convertible preference shares into equity shares (refer note C31)	–	–	63,050,966	63.05
Closing balance	**635,100,946**	**635.10**	**635,100,946**	**635.10**

(d) Details of shareholders holding more than 5% of the paid up equity share capital of the Company with voting rights *

Name of the Shareholder	As on March 31, 2022		As on March 31, 2021	
	Number of shares	%age	Number of shares	%age
Sunrays Properties and Investment Company Private Limited	126,593,324	19.93%	128,393,784	20.22%
Emerald Sage Investment Ltd.	63,050,966	9.93%	63,050,966	9.93%
White IRIS Investment Ltd.	51,054,445	8.04%	51,054,445	8.04%
HDFC Trustee Company Ltd. - A/C its various Fund	52,765,288	8.31%	42,931,147	6.76%
Osiatic Consultants & Investments Pvt.Ltd.	39,041,880	6.15%	39,041,880	6.15%
Apollo Finance Limited	37,528,872	5.91%	37,528,872	5.91%

* As per the records of the Company including its register of member.

B12 SHARE CAPITAL (Contd..)

Shares held by promoters at the end of the year		March 31, 2022			March 31, 2021		
S No.	Promoter / Promoter Group	Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)	Number of shares	% of total shares	% change during the year (wrt total shares as at the beginning of the year)
1	Onkar Kanwar	100,000	0.02%	-	100,000	0.02%	-
2	Raaja R S Kanwar	200,880	0.03%	-	200,880	0.03%	-
3	Taru Kanwar	12,250	-	-	12,250	-	-
4	Sunrays Properties and Investment Company Private Limited	126,593,324	19.93%	(0.28%)	128,393,784	20.22%	14.50%
5	Osiatic Consultants & Investments Pvt.Ltd.	39,041,880	6.15%	-	39,041,880	6.15%	6.15%
6	Apollo Finance Limited	37,528,872	5.91%	-	37,528,872	5.91%	(0.35%)
7	Classic Industries & Exports Ltd.	17,903,505	2.82%	(0.04%)	18,183,505	2.86%	0.42%
8	PTL Enterprises Ltd.	10,557,732	1.66%	0.35%	8,292,700	1.31%	0.76%
9	Amit Dyechem Pvt. Ltd.	1,574,595	0.25%	-	1,574,595	0.25%	-
10	Apollo International Ltd.	984,485	0.16%	-	984,485	0.16%	-
11	Global Capital Ltd.	1,000	-	-	1,000	-	(0.57%)
12	Shalini Kanwar Chand	1,977,000	0.31%	-	1,977,000	0.31%	-
13	Neeraj Kanwar	671,380	0.11%	-	671,380	0.11%	-
14	Simran Kanwar	18,500	-	-	18,500	0.00%	-
15	Motlay Finance Pvt Ltd.	-	-	-	-	-	(2.67%)
16	Sacred Heart Investment Co. Pvt Ltd.	-	-	-	-	-	(3.85%)
17	Ganga Kaveri Credit & Holdings Pvt. Ltd.	-	-	-	-	-	(1.21%)
18	Indus Valley Investment & Finance Pvt. Ltd.	-	-	-	-	-	(0.80%)
19	Kenstar Investment & Finance Pvt. Ltd.	-	-	-	-	-	(0.29%)
20	Neeraj Consultants Pvt Ltd.	-	-	-	-	-	(11.62%)
		237,165,403	**37.34%**	**0.03%**	**236,980,831**	**37.31%**	**0.47%**

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

The Company has only one class of issued shares referred to as equity shares having a par value of Re. 1 each. The holder of equity shares are entitled to one vote per share.

(g) 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.

(h) Over the period of five years immediately preceding March 31, 2022 and March 31, 2021, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

NON - CURRENT LIABILITIES

B13 BORROWINGS

₹ Million

	As on March 31, 2022	As on March 31, 2021
Measured at amortised cost		
Secured *		
(i) Debentures	17,122.07	19,661.18
(ii) Term loans		
From banks:		
External commercial borrowings (ECB)	4,785.93	6,920.67
Foreign currency non-resident term loan	–	462.72
Rupee term loan	13,376.14	9,528.57
(iii) Deferred payment liabilities		
Deferred payment credit	25.96	31.17
Total borrowings	**35,310.10**	**36,604.31**

* For details regarding repayment terms, interest rate and nature of security on non current borrowings (Note B13 (a))

B13 (a) Borrowings

	Amount outstanding as on March 31, 2022 (₹ Million)		Amount outstanding as on March 31, 2021 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
Non-convertible debentures							
1,150 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,150.00	–	1,150.00	–	8.65%	Bullet payment on April 30, 2026	Refer note below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	–	1,050.00	–	8.65%	Bullet payment on April 30, 2025	Refer note below
1,050 - 8.65 % Non-convertible debentures of ₹ 1 Million each	1,050.00	–	1,050.00	–	8.65%	Bullet payment on April 30, 2024	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,499.14	–	1,498.34	–	7.80%	Bullet payment on April 30, 2024	Refer note below
900 - 7.50 % Non-convertible debentures of ₹ 1 Million each	900.00	–	900.00	–	7.50%	Bullet payment on October 20, 2023	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	1,499.14	–	1,498.34	–	7.80%	Bullet payment on April 28, 2023	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	–	1,050.00	1,050.00	–	7.50%	Bullet payment on October 21, 2022	Refer note below
1,500 - 7.80 % Non-convertible debentures of ₹ 1 Million each	–	1,499.14	1,498.34	–	7.80%	Bullet payment on April 29, 2022	Refer note below
1,050 - 7.50 % Non-convertible debentures of ₹ 1 Million each	–	–	–	1,050.00	7.50%	Bullet payment on October 21, 2021	Refer note below
5,000 - 8.75 % Non Convertible Debentures of ₹ 1 Million each	4,984.96	–	4,983.08	–	8.75%	Bullet payment on April 09, 2030	Refer note below
5,000 - 7.70 % Non Convertible Debentures of ₹ 1 Million each	4,988.83	–	4,983.08	–	7.70%	₹ 1,250 Million payable on May 17, 2024 and ₹ 3,750 Million payable on May 16, 2025.	Refer note below
Total	**17,122.07**	**2,549.14**	**19,661.18**	**1,050.00**			

B13 (a) Borrowings (Contd..)

	Amount outstanding as on March 31, 2022 (₹ Million)		Amount outstanding as on March 31, 2021 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
External commercial borrowings (ECB) from banks							
Bank 1 - ECB I	1,259.84	631.65	1,821.31	–	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 2 - ECB I	1,259.30	631.58	1,821.08	–	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 3 - ECB I	1,259.63	631.65	1,821.75	–	0-1% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 4 - ECB I	1,007.17	505.32	1,456.54	–	0.25-1.25% above USD-LIBOR	3 Equal annual instalments starting from FY 2022-23	Refer note below
Bank 5 - ECB I	–	–	–	3,646.08	0-1% above USD-LIBOR	Bullet payment on March 21, 2022	Refer note below
Total	**4,785.93**	**2,400.20**	**6,920.67**	**3,646.08**			

	Amount outstanding as on March 31, 2022 (₹ Million)		Amount outstanding as on March 31, 2021 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
Foreign currency non-resident (FCNR) term loan							
Bank 1 - FCNR I	–	93.58	90.27	180.53	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from December 31, 2019	Refer note below
Bank 1 - FCNR II	–	94.13	90.80	181.61	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from January 15, 2020	Refer note below
Bank 1 - FCNR III	–	291.98	281.65	281.64	0-1% above USD-LIBOR	Repayment in 6 equal semi-annual instalments starting from September 30, 2020	Refer note below
Total	**–**	**479.69**	**462.72**	**643.78**			
Rupee term loans							
Bank 1 - Rupee Term Loan	–	–	2,996.85	–	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 2 - Rupee Term Loan	–	–	2,474.49	–	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 3 - Rupee Term Loan	–	–	1,973.22	–	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below

	Amount outstanding as on March 31, 2022 (₹ Million)		Amount outstanding as on March 31, 2021 (₹ Million)		Rate of interest per annum	Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings			
Bank 4 - Rupee Term Loan	–	–	500.00	–	0-1% above One year MCLR	28 structured quarterly instalments after moratorium of 3 years from the date of first disbursement	Refer note below
Bank 5 - Rupee Term Loan	–	–	985.77	11.25	6 months MCLR	32 structured quarterly instalments after moratorium of 2 years from the date of first disbursement	Refer note below
Bank 6 - Rupee Term Loan	–	149.38	148.24	–	0-2% above one year T-bill	Bullet payment on June 27, 2022	Refer note below
Bank 7 - Rupee Term Loan	–	200.00	200.00	–	0-2% above one year T-bill	Bullet payment on March 27, 2023	Refer note below
Bank 8 - Rupee Term Loan	–	–	–	500.00	0-2% above one year T-bill	Bullet payment on March 29, 2022	Refer note below
Bank 9 - Rupee Term Loan	250.00	–	250.00	–	0-2% above one year T-bill	Bullet payment on December 29, 2023	Refer note below
Bank 10 - Rupee Term Loan	8,638.28	265.00	–	–	5-6% p.a	33 structured quarterly instalments starting from March 31, 2022	Refer note below
Bank 11 - Rupee Term Loan	4,487.86	500.00	–	–	6-7% p.a.	32 structured quarterly instalments starting from April 30, 2022	Refer note below
Total	**13,376.14**	**1,114.38**	**9,528.57**	**511.25**			
Deferred payment liabilities							
Deferred payment credit I	25.96	5.20	31.17	4.82	7-8%	Repayment along with interest in 240 consecutive monthly instalments started from May 15, 2007	Wind Mills purchased under the deferred consideration payment plan
Deferred payment credit II	–	–	–	0.21	8-9%	Repayment along with Interest in 20 equal quarterly instalments started from January 31, 2011	Engineering materials purchased under the Parts Management Agreement (PMA) scheme
Total	**25.96**	**5.20**	**31.17**	**5.03**			

Details of securities offered to existing lenders

Note: All the long term loans are secured by pari-passu charge on the movable fixed assets of the company. Along with this security an exclusive charge on the immovable property of the Company's registered office in Kochi has also been created for one of the NCD issuances aggregating to ₹ 5,000 Million at 8.75% p.a.

NON - CURRENT LIABILITIES

B14 OTHER FINANCIAL LIABILITIES

₹ Million

	As on March 31, 2022	As on March 31, 2021
Derivative liabilities measured at fair value (refer note C10)	–	30.72
	–	**30.72**

B15 PROVISIONS

₹ Million

	As on March 31, 2022	As on March 31, 2021
Provision for constructive liability (refer note C6)	181.31	181.12
Provision for sales related obligations (refer note C6)	309.13	313.63
	490.44	**494.75**

B16 OTHER NON CURRENT LIABILITIES

₹ Million

	As on March 31, 2022	As on March 31, 2021
Deferred revenue arising from government grant	5,864.69	4,949.94
Security deposits received from dealers	77.64	68.03
Security deposits received from vendors	115.04	86.82
	6,057.37	**5,104.79**

CURRENT LIABILITIES

B 17 BORROWINGS *

₹ Million

	As on March 31, 2022	As on March 31, 2021
At amortised cost		
Secured **		
From banks - cash credit	4.18	4.85
Unsecured		
From banks - packing credit	–	1,000.00
From others - Commercial paper	2,000.00	–
Current maturities of non current borrowings		
Secured #		
(a) Debentures	2,549.14	1,050.00
(b) Term loans:		
Foreign currency non-resident term loan	479.69	643.78
External commercial borrowings (ECB)	2,400.20	3,646.08
Rupee Term Loans	1,114.38	511.25
(c) Deferred payment liabilities		
Deferred payment credit I	5.20	4.82
Deferred payment credit II	–	0.21
	5.20	**5.03**
	8,552.79	**6,860.99**

* Cash credits and packing credits are repayable on demand. The interest rate on these loans are in the range of **3.00 % p.a. to 7.00 % p.a.** (3.00% p.a. to 9.00 % p.a.)

** Secured by a first charge on raw materials, work-in-progress, stocks, stores and book debts and by a second charge on the Company's land at village Kodakara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at head office in Gurgaon, Haryana together with the factory buildings, plant and machinery and equipment, both present and future.

For details regarding repayment terms, interest rate and nature of security on current maturities of non current borrowings (Note B13 (a))

B18 TRADE PAYABLES (refer note C26)*

₹ Million

	As on March 31, 2022	As on March 31, 2021
Trade payables (other than micro and small enterprises)	18,186.36	13,149.05
Employee related payable	1,686.19	1,380.44
Payable to related parties (refer note C20)	7,256.85	4,134.06
	27,129.40	**18,663.55**

* Trade payables include commission on net profits payable to whole-time directors **₹ 35.94 Million** (₹ 561.19 Million).

B19 OTHER FINANCIAL LIABILITIES

₹ Million

	As on March 31, 2022	As on March 31, 2021
Interest accrued but not due on borrowings	1,402.20	1,465.67
Unclaimed dividends #	100.19	94.37
Accounts payable - capital	2,178.68	3,649.02
Payable to micro, small and medium Enterprises - capital (refer note C18)	190.76	186.28
Interest payable to micro, small and medium Enterprises (refer note C18)	10.58	10.58
Payable to related parties (refer note C20)	147.78	455.13
Security deposits - vendors	424.37	384.66
Advances received / credit balance from customers	5,155.06	5,350.81
Derivative liabilities measured at fair value (refer note C10)	36.05	16.74
	9,645.67	**11,613.26**

Includes **₹ 5.70 Million** (₹ 4.86 Million) which has not been transferred to the Investor Education and Protection Fund under Section 124 of the Companies Act, 2013, as per the orders/ instructions of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

CURRENT LIABILITIES

B20 OTHER CURRENT LIABILITIES

₹ Million

	As on March 31, 2022	As on March 31, 2021
Deferred revenue arising from government grant (refer note C8(a))	135.65	135.65
Statutory dues payable	1,899.73	1,941.80
Others	144.38	113.97
	2,179.76	**2,191.42**

B21 PROVISIONS

₹ Million

	As on March 31, 2022	As on March 31, 2021
Provision for constructive liability (refer note C6)	49.68	53.93
Provision for compensated absences (refer note C6)	259.19	233.32
Provision for superannuation (refer note C6)	40.16	31.37
Provision for contingencies (refer note C6)	425.00	425.00
Provision for Gratuity (refer note C9)	–	81.47
Provision for sales related obligations (refer note C6)	1,173.73	1,098.28
	1,947.76	**1,923.37**

B 22 CURRENT TAX LIABILITIES (NET)

₹ Million

	As on March 31, 2022	As on March 31, 2021
Provision for taxation	23,856.94	23,245.35
Advance tax	(23,413.07)	(22,537.48)
	443.87	**707.87**

B 23 OTHER OPERATING INCOME

₹ Million

	As on March 31, 2022	As on March 31, 2021
Investment promotion subsidy (refer note C8 (a))	1,211.52	1,765.71
Unwinding of deferred income (refer note C8 (b))	1,540.68	1,572.57
Sale of raw material scrap	517.97	376.28
Others	156.00	74.33
	3,426.17	**3,788.89**

B 24 OTHER INCOME

₹ Million

		Year ended March 31, 2022		Year ended March 31, 2021
(a) Interest income				
- Bank deposits	206.10		624.63	
- Other financial assets measured at amortised cost *	182.84		191.42	
- Others	7.66	**396.60**	0.15	**816.20**
(b) Dividend income from current investments - Fair value through profit and loss				
Mutual funds		24.15		2.88
(c) Others				
Profit on sale of property, plant and equipment (net)	81.39		20.34	
Gain on foreign currency transactions and translations (net)	660.57		213.79	
Miscellaneous	106.25	**848.21**	162.02	**396.15**
		1,268.96		**1,215.23**

* This includes Government grant (refer note C8 (a))

B 25 MANUFACTURING AND OTHER EXPENSES

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of materials consumed *		
Opening stock	8,031.27	5,610.22
Add: Purchases	95,480.63	64,804.22
Less: Closing stock	8,574.19	8,031.27
	94,937.71	**62,383.17**
Purchase of stock-in-trade:		

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of finished goods - tyres, tubes and flaps	**8,465.86**	**6,948.31**
Employee benefits expense: *		
Salaries and wages	8,389.02	7,581.40
Contribution to provident and other funds	617.65	499.38
Staff welfare expenses	1,233.51	1,028.23
	10,240.18	**9,109.01**
Other expenses: *		
Consumption of stores and spare parts	1,098.66	837.94
Power and fuel	4,987.03	3,801.97
Conversion charges	995.56	723.76
Repairs and maintenance		
- Machinery	270.59	226.00
- Buildings	42.65	38.39
- Others	1,832.20	1,662.79
Rent (refer note C5)	25.91	18.17
Insurance	325.00	272.89
Rates and taxes	73.48	72.01
Sitting fees to non-executive directors (refer note C20)	4.13	5.77
Commission to non-executive directors (refer note C20)	38.00	45.00
Travelling, conveyance and vehicle expenses	844.47	584.76
Postage, telephone and stationery	81.55	80.54
Conference	7.70	15.59
Royalty (refer note C20)	110.68	41.22
Freight and forwarding	5,158.52	4,254.00
Commission on sales	131.46	104.38
Sales promotion	451.19	367.94
Advertisement and publicity	1,998.34	1,759.22
Corporate social responsibility (refer note C19)	187.17	129.91
Bank charges	37.94	31.92
Statutory auditors' remuneration (refer note C13)	12.55	12.49
Legal and professional	1,145.80	947.69
Miscellaneous	2,166.23	2,446.79
	22,026.81	**18,481.14**
	1,35,670.56	**96,921.63**

* Includes expense towards research and development.

B 26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
OPENING STOCK		
Work in progress	1,663.64	1,252.70

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Finished goods	7,634.31	8,038.39
Stock-in-trade	1,021.09	1,097.10
	10,319.04	**10,388.19**
Less:		
CLOSING STOCK		
Work in progress	1,706.10	1,663.64
Finished goods	10,645.68	7,634.31
Stock-in-trade	1,451.71	1,021.09
	13,803.49	**10,319.04**
	(3,484.45)	**69.15**

B27 FINANCE COSTS

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest expense:		
Interest on fixed-term loans	1,129.11	1,095.93
Interest on debentures	1,334.98	1,217.34
Interest on current loans	75.62	388.97
Interest on income taxes	38.48	-
Others *	1146.69	1,046.14
(b) Other borrowing costs	96.68	45.76
	3,821.56	**3,794.14**

* Includes interest expenses pertaining to leasing agreements. Refer note C5

C. Other Notes

Forming Part Of The Financial Statements

C1 Directly attributable expenses capitalized / included in capital work in progress

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed	–	61.39
Salaries, wages and bonus	146.92	219.17
Welfare expenses	13.60	41.17
Rent	–	1.49
Travelling, conveyance and vehicle expenses	0.35	7.16
Postage, telephone and stationery	–	1.30
Power and fuel	36.05	106.15
Insurance	4.20	12.71
Legal and professional	12.93	4.77
Miscellaneous	89.88	51.13
Total	**303.93**	**506.45**

C2 Borrowing costs capitalized / transferred to capital work in progress during the year is **₹ 559.07 Million** (₹ 849.92 Million) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case **7.58% p.a.** (7.93% p.a.).

C3 Inventories

i. Out of the total inventories **₹ 24,638.92 Million** (₹ 20,766.00 Million), the carrying amount of inventories carried at fair value less costs to sell amounted to **₹ 1,416.90 Million** (₹654.46 Million).

ii. The amount of write-down of inventories to net realizable value recognized as an expense was **₹ 187.52 Million** (₹ 144.56 Million).

iii. The cost of inventories recognised as an expense during the year in respect of continuing operations was **₹ 101,017.78** Million (₹ 70,238.57 Million).

C4 Description of nature and purpose of each reserve

i. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

ii. General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

iii. Capital reserve on Apollo (Mauritius) Holdings Private Limited ("AMHPL") merger

AMHPL erstwhile (subsidiary company) was merged with the Company resulting in a capital reserve.

iv. Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for redemption of debentures.

v. Capital subsidy

This balance represents subsidy received under New Industrial Policy 2007 of the Government of Tamil Nadu for expansion and employment generation within SIPCOT Industrial park.

vi. Capital redemption reserve

This balance has been created in accordance with provision of the Act for the buy back of equity shares from the market.

vii. Capital reserve on forfeiture of shares

This reserve was created on forfeiture of shares by the Company. The reserve is not available for the distribution to the shareholders.

viii. Retained earnings

Retained earnings are created from the profit of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

C5 Leases

i Nature of leasing activities

The Company has entered into lease arrangements for various warehouses, plant and equipments, and offices that are renewable on a periodic basis with approval of both lessor and lessee.

ii The Company does not have any lease commitments towards variable rent as per the contract.

iii Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

iv Lease liabilities are presented in the statement of financial position as follows:

₹ Million

	As on March 31, 2022	As on March 31, 2021
Non current	4,666.99	4,651.60
Current	849.36	699.47
Total	**5,516.35**	**5,351.07**

v Future minimum lease payments are as follows:

₹ Million

	As on March 31, 2022			As on March 31, 2021		
Minimum lease payments due	**Lease payments**	**Finance charges**	**Net present values**	**Lease payments**	**Finance charges**	**Net present values**
Within 1 year	1,246.19	(396.83)	849.36	1,093.54	(394.07)	699.47
1-2 years	1,098.33	(333.07)	765.26	966.26	(341.28)	624.98
2-3years	954.28	(275.49)	678.78	866.82	(294.86)	571.96
3-4 years	875.30	(222.67)	652.64	785.49	(249.97)	535.52
4-5 years	765.23	(172.89)	592.34	738.71	(207.56)	531.15
After 5 years	2,213.42	(235.46)	1,977.96	2,780.13	(392.14)	2,387.99
Total	**7,152.76**	**(1,636.41)**	**5,516.35**	**7,230.95**	**(1,879.88)**	**5,351.07**

vi Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

₹ Million

	As on March 31, 2022	As on March 31, 2021
Short term leases	25.91	18.17
Leases of low value assets	–	–
Variable lease payments	–	–
Total	**25.91**	**18.17**

vii Changes in the carrying value of right-of-use assets by class of assets is as follows:

₹ Million

	Building	Plant and equipment	Total
Gross carrying value			
As on April 01, 2021	**6,853.88**	**155.42**	**7,009.30**
Additions	1,006.74	127.90	1,134.65
Disposals	326.10	–	326.10
As on March 31, 2022	**7,534.52**	**283.32**	**7,817.85**

₹ Million

	Building	Plant and equipment	Total
Accumulated depreciation			
As on April 01, 2021	**1,675.37**	**89.01**	**1,764.38**
Depreciation expense	1,014.07	76.01	1,090.08
Eliminated on disposal	259.98	–	259.98
As on March 31, 2022	**2,429.46**	**165.02**	**2,594.48**
Net carrying value			
As on March 31, 2022	**5,105.07**	**118.30**	**5,223.37**

₹ Million

	Building	Plant and equipment	Total
Gross carrying value			
As on April 01, 2020	7,150.59	155.42	7,306.01
Additions	195.97	–	195.97
Disposals	492.68	–	492.68
As on March 31, 2021	**6,853.88**	**155.42**	**7,009.30**
Accumulated depreciation			
As on April 01, 2020	1,056.36	39.92	1,096.28
Depreciation expense	985.22	49.09	1,034.31
Eliminated on disposal	366.21	–	366.21
As on March 31, 2021	**1,675.37**	**89.01**	**1,764.38**
Net carrying value			
As on March 31, 2021	**5,178.51**	**66.41**	**5,244.92**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

viii The following are the amounts recognised in statement of profit and loss

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets	1,090.08	1,034.31
Interest expense on lease liabilities	455.53	442.99
COVID 19 related rent concessions	–	(11.00)
Interest income on fair value of security deposit	(29.00)	(28.64)
Expense relating to short-term leases (included in other expenses)	25.91	18.17
Total	**1,542.52**	**1,455.83**

ix Total Cash outflow pertaining to leases during the year ended March 31, 2022 is ₹ **1,340.64 Million** (₹ 1,269.98 Million).

x As on March 31, 2022 Company has committed short term leases and total commitment at that date is ₹ **1.68 Million** (₹ 1.34 Million).

C6 Provisions - non current / current

₹ Million

	Non current		Current				
	Provision for sales related obligation *	Provision for constructive liability**	Provision for compensated absences	Provision for sales related obligation *	Provision for constructive liability**	Provision for contin-gencies	Provision for super-annuation
As on March 31, 2020	**319.03**	**184.29**	**227.02**	**1,069.88**	**51.99**	**425.00**	**28.02**
Addition during the year	–	–	233.32	1,098.28	53.93	–	117.83
Utilisation/reversal during the year	5.40	3.17	227.02	1,069.88	51.99	–	114.48
As on March 31, 2021	**313.63**	**181.12**	**233.32**	**1,098.28**	**53.93**	**425.00**	**31.37**
Addition during the year	–	0.19	259.19	1,173.73	49.68	–	152.71
Utilisation/ reversal during the year	4.50	–	233.32	1,098.28	53.93	–	143.92
As on March 31, 2022	**309.13**	**181.31**	**259.19**	**1,173.73**	**49.68**	**425.00**	**40.16**

* Represents estimates for payments to be made in future for sales related obligations (including warranties).

** Includes post-employment benefit obligation for the employees of related party engaged at its Kalamassery plant taken on lease.

C7 Income taxes

i. Reconciliation between average effective tax rate and applicable tax rate

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ Million	Rate (%)	₹ Million	Rate (%)
Profit before tax	**3,503.52**		**10,520.39**	
Income tax using the Company's domestic tax rate	1,224.27	34.94%	3,676.25	34.94%
Tax effect of :				
Non deductible expenses	85.99	2.45%	59.35	0.56%
Others	(417.38)	(11.91%)	(443.42)	(4.21%)
Income tax expenses recognised in the statement of profit and loss	**892.88**	**25.49%**	**3,292.18**	**31.29%**

ii. Components of deferred tax liability (net)

₹ Million

	As on March 31, 2022				As on March 31, 2021			
	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other compre-hensive income	Closing Balance	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other compre-hensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities								
Employee benefits	50.97	–	–	50.97	26.62	–	24.35	50.97
Depreciation and amortisation	12,466.19	2,010.70	–	14,476.89	10,081.87	2,384.32	–	12,466.19
Others	714.47	76.43	52.89	843.80	676.48	29.08	8.91	714.47
Gross deferred tax liabilities (a)	**13,231.63**	**2,087.13**	**52.89**	**15,371.66**	**10,784.97**	**2,413.40**	**33.26**	**13,231.63**
Tax effect of items constituting deferred tax assets								
Employee benefits	326.72	8.74	14.58	350.04	298.12	28.60	–	326.72
Provision for doubtful debts / advances	141.89	–	–	141.89	141.89	–	–	141.89
Minimum alternate tax entitlement	5,084.54	611.60	–	5,696.14	3,179.33	1,905.21	–	5,084.54
Carry forward of losses	15.97	1,086.30	–	1,102.27	1,135.68	(1,119.71)	–	15.97
Others	928.77	99.21	–	1,027.98	717.26	211.51	–	928.77
Gross deferred tax assets (b)	**6,497.89**	**1,805.84**	**14.58**	**8,318.31**	**5,472.28**	**1,025.61**	**–**	**6,497.89**
Net deferred tax liability (a - b)	**6,733.74**	**281.29**	**38.31**	**7,053.34**	**5,312.69**	**1,387.79**	**33.26**	**6,733.74**

iii. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the Company.

C8 Government grants

(a) Investment promotion subsidy

The Government of Tamil Nadu (GoTN) has sanctioned a structured package of assistance to the Company for setting up/expansion of their project in the state of Tamil Nadu, pursuant to which a Memorandum of Understanding (MoU) executed between GoTN and the Company.

The Company is entitled, interalia, for refund of an amount equal to Net Output (VAT + CST)/SGST paid by the Company to GoTN in the form of Investment Promotion Subsidy (referred to as Phase I). As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of **₹ 995.08 Million** (₹ 1606.97 Million) as other operating income, being the eligible amount of refund of Net Output (VAT + CST) /SGST paid by the Company to GoTN."

In addition to above, the Company is entitled, for refund of an amount equal to 1% of the capital investment for a period of 12 years to be payable in equal annual instalments in the form of Investment Promotion Capital Subsidy (referred to as Phase II). Accordingly, the Company has recognised grant receivable at its fair value, amounting to **₹ 1,956.66 Million** (₹ 1,811.72 Million) under non-current financial assets and **₹ 125.06 Million** (₹ 385.80 Million) under current financial assets. Deferred grant income amounting **₹ 1,627.79 Million** (₹ 1,763.44 Million) is recognised under other non-current liabilities and **₹ 135.65 Million** (₹ 135.65 Million) under other current liabilities. Deferred income will be recognised in the statement of profit or loss on a systematic basis over the useful life of the asset (15 years). During the year, the Company has recorded grant income amounting to **₹ 135.65 Million** (₹ 135.65 Million) under Other operating income and accretion of grant recoverable as finance income amounting to **₹ 154.20 million** (₹ 162.78 million) under Other income.

Also, the Government of Andhra Pradesh (GoAP) has sanctioned a structured package of assistance to the Company for setting up of their project in the state of Andhra Pradesh, pursuant to which a Memorandum of Understanding (MoU) executed between GoAP and the Company. The Company is entitled, interalia, for refund of an amount equal to Net SGST paid by the Company to GoAP in the form of Investment Promotion Subsidy. As the Company has fulfilled the relevant obligations, the Company has recognized subsidy income of **₹ 80.79 Million** (₹ 23.09 Million) as other operating income, being the eligible amount of refund of Net SGST paid by the Company to GoAP.

(b) Export Promotion Capital Goods

The Company had imported Property, plant and equipment under the Export Promotion Capital Goods (EPCG) scheme wherein the Company is allowed to import capital goods including spares without payment of customs duty, subject to certain export obligations which should be fulfilled within specified time period. During the year, the custom duty benefit received amounts to **₹ 2,591.06 Million** (₹ 1,202.01 Million) with a corresponding increase in the value of property, plant and equipment and Capital Work in Progress. The grant amounting to **₹ 1,540.68 Million** (₹ 1,572.57 Million) where export obligations have been met, have been recognized in Statement of Profit and Loss as other operating income. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under other non current liabilities.

C9 Employee benefit liability

A. Defined contribution plans

a. **Superannuation plan:** The Company contributes a sum equivalent to 15% of the eligible employees' basic salary to a superannuation fund administered and maintained by the Life Insurance Corporation of India (LIC). The Company has no liability for future superannuation fund benefits other than its annual contribution and recognizes such contributions as an expense in the year incurred. The amount of contribution made by the Company to Superannuation Fund is **₹ 152.71 Million** (₹ 117.83 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 contributions to the trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate and recognises such obligation as an expense.

   The amount of contributions made by the Company to employees' provident fund trust / regional provident fund is **₹ 326.44 Million** (₹ 298.41 Million).

B. Defined benefit plans

Gratuity

The Company operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Payments of Gratuity Act, 1972. The scheme is funded with LIC.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plan:

Statement of profit and loss:

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost ^	126.00	363.11
Interest cost on benefit obligation *	109.45	102.99
Actual return on plan assets*	(103.63)	(98.52)
Expense recognized in the statement of profit and loss	**131.82**	**367.58**

^ Included in employee benefit expense

* Included in finance cost

Other comprehensive income (experience adjustment)

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial loss/(gain) for the year on defined benefit obligation	84.57	(71.35)
Actuarial (gain)/loss for the year on plan asset	(42.86)	1.67
Total	**41.71**	**(69.68)**

Balance sheet:

Net asset/(liability) recognised in the balance sheet

₹ Million

	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the end of the year (a)	1,874.19	1,502.43
Present value of defined benefit obligation at the end of the year (b)	1,841.62	1,583.90
Net asset/(liability) recognized in the balance sheet (a - b)	**32.57**	**(81.47)**

Changes in the present value of the defined benefit obligation

₹ Million

	As at March 31, 2022	As at March 31, 2021
Present value of obligations as at the beginning of the year	1,583.90	1,246.94
Interest cost	109.45	102.99
Current service cost	126.00	363.11
Benefits paid	(62.30)	(57.79)
Actuarial loss/(gain) on obligation	84.57	(71.35)
Present value of obligations as at the end of the year	**1,841.62**	**1,583.90**

Changes in the fair value of plan assets

₹ Million

	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at beginning of the year	1,502.43	1,434.65
Actual return on plan assets	103.63	98.52
Contributions	287.57	28.72
Benefits paid	(62.30)	(57.79)
Actuarial loss/(gain) on plan assets	42.86	(1.67)
Fair value of plan assets as at the end of the year	**1,874.19**	**1,502.43**

The Company's gratuity funds are managed by the Life Insurance Corporation and therefore the composition of the fund assets is not presently ascertained.

Maturity Profile of Defined Benefit Obligation

₹ Million

	As at March 31, 2022	As at March 31, 2021
0 to 1 year	233.85	191.51
1 to 2 year	85.07	62.76
2 to 3 year	105.48	68.88
3 to 4 year	119.51	87.11
4 to 5 year	95.96	86.43
More than 5 years	1,201.75	1,087.21
Total	**1,841.62**	**1,583.90**

Principal assumptions for gratuity

	As on March 31, 2022 Rate (%)	As on March 31, 2021 Rate (%)
a) Discount rate	7.32	6.91
b) Future salary increase*	6.00	6.00
c) Expected rate of return on plan assets	7.44	6.95
d) Retirement age (years)	58	58
e) Mortality table	IALM (2012-2014)	IALM (2012-2014)
f) Ages (withdrawal rate %)		
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

Estimated amount of contribution in the immediate next year is **₹ 131.56 Million** (₹ 125.25 Million).

Sensitivity analysis of the defined benefit obligation

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2022	1,841.62	1,841.62	1,841.62
Impact due to increase of 0.50%	(80.25)	87.80	0.58
Impact due to decrease of 0.50%	87.10	(81.58)	(0.46)

₹ Million

Impact of change in	Discount rate	Salary increase	Attrition rate
Present value of obligation as on March 31, 2021	1,583.90	1,583.90	1,583.90
Impact due to increase of 0.50%	(72.15)	78.66	0.50
Impact due to decrease of 0.50%	78.34	(73.07)	(0.40)

C. Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

	As on March 31, 2022 Rate (%)	As on March 31, 2021 Rate (%)
a) Discount rate	7.32	6.91
b) Future salary increase*	6.00	6.00
c) Retirement age (years)	58.00	58.00
d) Mortality table	IALM (2012-2014)	IALM (2012-2014)
e) Ages (withdrawal rate %)		
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

C10 Financial instrument

A. Capital risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

₹ Million

	As at March 31, 2022	As at March 31, 2021
Long term borrowings (refer note B13)	35,310.10	36,604.31
Short term borrowings (refer note B17)	8,552.79	6,860.99
Sub total (a)	**43,862.89**	**43,465.30**
Equity (refer note B12)	635.10	635.10
Other equity	94,549.64	94,090.51
Sub total (b)	**95,184.74**	**94,725.61**
Capital gearing ratio ((a) / (b))	**0.46**	**0.46**

B. Financial risk management

a. Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. The Company enters into a variety of derivate financial instrument to manage its exposure to foreign currency and interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

i) Currency risk

The Company's exposure arises mainly on import (of raw material and capital items) and export (of finished goods). The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

Currency wise net exposure of the Company

₹ Million

Currency	As on March 31, 2022	Sensitivity + 1%	Sensitivity -1%	As on March 31, 2021	Sensitivity + 1%	Sensitivity -1%
USD	(2,276.80)	(22.77)	22.77	(13,511.70)	(135.12)	135.12
Euro	1,336.04	13.36	(13.36)	(360.64)	(3.61)	3.61
GBP	(169.12)	(1.69)	1.69	(76.49)	(0.76)	0.76
Others	501.76	5.02	(5.02)	471.03	4.71	(4.71)

ii) Interest rate risk

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

Interest on variable rate borrowings are converted at fixed rate since company has hedged interest rate risk fully and effectively with the hedging instruments.

b) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy customers.

In many cases an appropriate advance or letter of credit / bank guarantee is taken from the customers to cover the risk. In other cases credit limit is granted to customer after assessing the credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At the year end, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

c) Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

The Company has established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirement.

The below tables summarise the maturity profile of the Company's financial assets and financial liabilities

i. Non derivative financial assets

₹ Million

	As on March 31, 2022			As on March 31, 2021		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	18,486.88	1,742.46	25,383.30	12,784.04	1,188.25	25,621.65
Fixed interest rate instruments	2,426.07	–	–	12,304.74	–	–

ii. Non derivative financial liabilities

₹ Million

	As on March 31, 2022			As on March 31, 2021		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	36,050.55	–	–	29,423.43	–	–
Lease liability	849.36	2,689.03	1,977.96	699.47	2,263.61	2,387.99
Variable interest rate instruments	5,396.47	10,919.68	7,242.39	7,266.78	10,466.27	6,445.69
Fixed interest rate instruments	4,558.52	12,162.45	4,985.58	1,059.88	13,551.55	6,140.80

iii. Derivative assets / (liabilities)

₹ Million

	As on March 31, 2022			As on March 31, 2021		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Net settled:						
Foreign currency forward contracts, futures and options	(36.05)	–	–	(16.74)	(30.72)	–
Foreign currency forward contracts, futures and options	87.29	–	–	31.75	3.47	–
Gross settled:						
Cross currency interest rate swaps	–	1,054.60	–	–	972.14	–
Total	**51.24**	**1,054.60**	**–**	**15.01**	**944.89**	**–**

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

i. Fair value of derivative instruments carried at fair value

₹ Million

	As on March 31, 2022	As on March 31, 2021	Fair value hierarchy (Level 1, 2 or 3) *
Derivative financial assets (a)			
- Foreign currency forward contracts, futures and options	87.29	35.22	2
- Cross currency interest rate swaps	1,054.60	972.14	2
Total	**1,141.89**	**1,007.36**	
Derivative financial liabilities (b)			
- Foreign currency forward contracts	36.05	47.46	2
Total	**36.05**	**47.46**	
Net Derivative financial assets (a - b)	**1,105.83**	**959.90**	

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

₹ Million

	As on March 31, 2022	As on March 31, 2021	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
– Non current investments - quoted	2.36	1.20	1
– Non current investments - unquoted	73.30	74.07	3
– Current investments - quoted	4,506.06	900.68	1
Total	**4,581.72**	**975.95**	

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

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

* Level 1 - Quoted price in an active market.
* Level 2 - Inputs other than quoted prices included within liability Level 1 that are observable or the asset or liability, either directly or indirectly.
* Level 3 - Unobservable inputs for asset or liability.

e) Details of outstanding contracts

Currency pair	Currency	Currency value (Million)	Exchange rate	Nominal value (Million)	Buy/Sell
As on March 31, 2022					
Foreign currency forward contracts					
USD / INR	US Dollar	21.95	75.80	1,663.76	Buy
USD / THB	US Dollar	6.00	33.21	199.27	Buy
USD / ZAR	US Dollar	1.13	14.58	16.40	Buy
EUR / INR	Euro	4.60	84.07	386.74	Sell
Futures and options					
USD / INR	US Dollar	29.00	75.80	2,198.13	Buy
USD / INR	US Dollar	44.50	75.80	3,372.99	Sell
Cross currency interest swaps					
USD / INR	US Dollar	104.50	75.80	7,920.58	Buy
As on March 31, 2021					
Foreign currency forward contracts					

Currency pair	Currency	Currency value (Million)	Exchange rate	Nominal value (Million)	Buy/Sell
USD / INR	US Dollar	32.18	73.12	2,352.77	Buy
USD / THB	US Dollar	6.00	31.25	187.47	Buy
USD / ZAR	US Dollar	1.13	14.77	16.62	Buy
EUR / INR	Euro	21.06	85.83	1,807.77	Buy
Futures and options					
USD / INR	US Dollar	39.00	73.12	2,851.49	Buy
Cross currency interest swaps					
USD / INR	US Dollar	160.13	73.12	11,707.90	Buy

For fair value of outstanding contracts, refer note C10 (d)(i).

f) Impact of hedging activities

(1) Disclosures of effects of hedge accounting on balance sheet:

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2022								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 104.50	1,109.12	–	June -2022 to September -2024	1:1	63.95 to 67.5	(416.46)	416.46
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
EUR / INR	EUR -	–	–					
USD/INR	USD 8.45	–	(0.99)	Apr-22	1:1	76.105 to 76.105	(0.99)	0.99

(Carrying value of firm commitments for capital assets is ₹ 0.99 million and is recognised in other non-current assets as others)

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
As on March 31, 2021								
Cash flow hedge								
Foreign exchange and interest rate risk								
Cross Currency Swaps								
USD / INR	USD 160.13	972.14	–	April-2022 to September -2024	1:1	63.95 to 68.60	(987.35)	987.35

Type of hedge and risks	Notional amount (Million)	Carrying amount of hedging instruments (₹ Million)		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments (₹ Million)	Change in value of hedged item used as the basis for recognising hedge effectiveness (₹ Million)
		Assets	Liabilities					
Fair value hedge								
Foreign exchange risk								
Foreign currency forward contracts								
EUR / INR	EUR 21.06	0.54	(30.72)	April-2021 to May-2021	1:1	86.36 to 89.16	(30.18)	30.18
USD/INR	USD 16.18	2.93	–	Apr-21	1:1	73.15 to 73.17	2.93	(2.93)

(Carrying value of firm commitments for capital assets is ₹ 27.25 million and is recognised in other non-current assets as others)

(2) Disclosure of effects of hedge accounting on statement of profit and loss

₹ Million

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2022				
Cash flow hedge				
Foreign exchange and interest rate risk	(416.46)	–	(626.91) 59.09	Finance Cost Loss on foreign currency transactions and translations

₹ Million

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2021				
Cash flow hedge				
Foreign exchange and interest rate risk	(987.35)	–	(603.49) (409.37)	Finance Cost Gain on foreign currency transactions and translations

(3) Movement in cash flow hedging reserve

₹ Million

	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as on April 01, 2020	**(113.91)**
Add: Changes in fair value of cross currency swaps	(987.35)
Less: Amount reclassified to Profit and loss	1,012.86
Less: Deferred tax relating to above (net)	(8.91)
Balance as on March 31, 2021	**(97.31)**

₹ Million

	Foreign currency and interest rate risk
Add: Changes in fair value of cross currency swaps	(416.46)
Less: Amount reclassified to Profit and loss	567.82
Less: Deferred tax relating to above (net)	(52.89)
Balance as on March 31, 2022	**1.16**

C11 (A) Turnover and stock of finished goods and stock in trade

₹ Million

	Opening Stock		Turnover		Closing Stock	
	As on April 1, 2021	As on April 1, 2020	Year ended March 31, 2022	Year ended March 31, 2021	As on March 31, 2022	As on March 31, 2021
Automobile tyres, tubes and flaps	8,547.70	9,023.32	1,42,585.62	1,13,038.34	11,972.90	8,547.70
Others	107.70	112.17	482.25	506.78	124.49	107.70
Total	**8,655.40**	**9,135.49**	**1,43,067.87**	**1,13,545.12**	**12,097.39**	**8,655.40**

(B) Raw materials consumed

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Fabric	10,174.99	6,024.37
Rubber	46,677.41	32,001.35
Chemicals	10,459.79	6,944.22
Carbon black	14,030.92	8,036.74
Others	13,594.60	9,376.50
Total	**94,937.71**	**62,383.17**

(C) Break-up of consumption

	Year ended March 31, 2022		Year ended March 31, 2021	
	%	₹ Million	%	₹ Million
Raw material - Imported	32.95%	31,279.66	31.31%	19,530.25
- Indigenous	67.05%	63,658.05	68.69%	42,852.92
	100.00%	**94,937.71**	**100.00%**	**62,383.17**
Stores and spares - Imported	8.47%	93.02	8.57%	71.80
- Indigenous	91.53%	1,005.64	91.43%	766.14
	100.00%	**1,098.66**	**100.00%**	**837.94**

(D) C.I.F. value of imports

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Raw material	32,581.24	20,620.47
Stores and spares	160.62	105.26
Capital goods	7,208.37	3,767.74

(E) Expenditure in foreign currency (remitted)

(Excluding value of imports)

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest	742.63	787.97
Royalty	96.54	28.46
Others (including cross-charge of research and development expenses and management expenses paid to foreign subsidiary companies)	3,128.11	3,071.94

C12 Earnings in foreign exchange (gross)

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
FOB value of exports	21,495.87	10,132.43
Royalty received	83.66	51.31
Cross charge of management expenses	352.22	298.96
Reimbursement of expenses received	494.18	495.76

C13 Statutory auditors' remuneration

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
For audits and quarterly reviews	10.50	9.50
For other services	2.05	2.99
Total	**12.55**	**12.49**

C14 Research and development expenditure

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
(A) Revenue expenditure		
Materials	16.97	9.45
Employee benefits expense	490.72	413.26
Travelling, conveyance and vehicle expense	64.12	32.21
Others	871.92	960.39
Total	**1,443.74**	**1,415.31**
(B) Capital expenditure	35.90	403.89
Total (A+B)	**1,479.64**	**1,819.20**

C15 (a) Contingent liabilities

₹ Million

	As on March 31, 2022	As on March 31, 2021
Sales tax	125.13	118.36
Income tax	1,670.51	1,470.70
Claims against the Company not acknowledged as debts – employee related	160.29	167.10
– others	32.30	28.60
Excise duty, Custom duty and Service tax *	661.81	641.70

* 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.

(b) The Competition Commission of India ('CCI') on February 02, 2022 has released its order dated August 31, 2018 on the Company, other Tyre Manufacturers and Automotive Tyre Manufacturer Association alleging contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 4,255.30 Million on the Company. The Company has filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). Based on legal advice the Company believes that it has a strong case and accordingly no provision is considered in these financial statements.

C16 Capital and other commitments

₹ Million

	As on March 31, 2022	As on March 31, 2021
A Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,963.51	6,257.69
B Other commitments		
Corporate guarantee given* (refer note C24)	1,849.54	6,179.76

*The company has provided corporate guarantee on behalf of its wholly owned subsidiary Apollo Tyres Cooperatief U.A..

C17 The Company conducts international transactions with associated enterprises. For the current year, the management maintained necessary documents as prescribed by the Income tax Act, 1961 to establish that these international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

C18 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ Million

	As on March 31, 2022	As on March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	904.49	815.31
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	10.58	10.58
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
(iv) The amount of interest due and payable for the year	–	–

₹ Million

	As on March 31, 2022	As on March 31, 2021
(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.

C19 Expenditure towards corporate social responsibility (CSR) activities -

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
i) Gross amount required to be spent by the Company during the year	163.89	153.19
ii) Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	–	–
(b) On purposes other than (a) above	163.89	129.91
iii) Amount unspent during the year and deposited in a scheduled bank	-	23.28
iv) Amount spent during the year pertaining to previous year	23.28	-
v) Shortfall at the end of the year	-	-
vi) Reason of Shortfall	NA	NA
vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
Total	**187.17**	**153.19**

Nature of CSR activities: Healthcare, Solid Waste Management & Sanitation, Livelihood for Rural Women, Biodiversity Conservation

C20 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures

Name of the Related Parties

	Year ended March 31, 2022	Year ended March 31, 2021
Subsidiaries	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands	Apollo Tyres Cooperatief U.A.,(AT Coop), Netherlands
	Apollo Tyres (Greenfield) B.V., Netherlands	Apollo Tyres (Greenfield) B.V., Netherlands
	Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop)	Apollo (South Africa) Holdings (Pty) Ltd. (ASHPL) (Subsidiary through AT Coop)
	Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL)	Apollo Tyres Africa (Pty) Ltd. (Subsidiary through ASHPL)
	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop)	Apollo Tyres (Thailand) Limited, Thailand (Subsidiary through AT Coop)
	Apollo Tyres (Middle East) FZE (ATFZE), Dubai (Subsidiary through AT Coop)	Apollo Tyres (Middle East) FZE (ATFZE), Dubai (Subsidiary through AT Coop)
	Apollo Tyres Holdings (Singapore) Pte. Ltd., (ATHS), Singapore (Subsidiary through AT Coop)	Apollo Tyres Holdings (Singapore) Pte. Ltd., (ATHS), Singapore (Subsidiary through AT Coop)
	Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS) (note a)	Apollo Tyres (Malaysia) SDN. BHD (Subsidiary through ATHS)

	Year ended March 31, 2022	Year ended March 31, 2021
	Apollo Tyres (UK) Holdings Ltd (Formerly Apollo Tyres (UK) Pvt Ltd) (ATUK) (Subsidiary through AT Coop)	Apollo Tyres (UK) Pvt. Ltd. (Subsidiary through AT Coop)
	Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK)	Apollo Tyres (London) Pvt. Ltd. (Subsidiary through ATUK)
	Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop)	Apollo Tyres Global R&D B.V. (Subsidiary through AT Coop)
	Apollo Tyres (R&D) GmbH (Formerly Apollo Tyres (Germany) GmbH) (Subsidiary through AT Coop)	Apollo Tyres (Germany) GmbH (Subsidiary through AT Coop)
	Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop)	Apollo Tyres AG, Switzerland (AT AG) (Subsidiary through AT Coop)
	Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATEU)	Apollo Tyres do (Brasil) LTDA (Subsidiary through ATCoop and ATBV)
	Apollo Tyres (Europe) B.V. (Formerly Apollo Tyres B.V.) (ATEU), Netherlands (Subsidiary through ATEU)	Apollo Tyres B.V. (ATBV), Netherlands (Subsidiary through AT Coop)
	Apollo Tyres (Hungary) Kft (Subsidiary through ATEU)	Apollo Tyres (Hungary) Kft (Subsidiary through ATBV)
	Reifencom GmbH, Hannover (Subsidiary through AT Coop)	Reifencom GmbH, Hannover (Subsidiary through AT Coop)
	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover)	Reifencom Tyre (Qingdao) Co., Ltd. (Subsidiary through Reifencom GmbH, Hannover)
	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)	Saturn F1 Pvt Ltd (Subsidiary through AT Coop)
	ATL Singapore Pte Limited (note a)	ATL Singapore Pte Limited
	Apollo Tires (US) Inc. (Formerly Apollo Vredestein Tires Inc.) (Subsidiary through AT Coop)	Apollo Vredestein Tires Inc., USA (Subsidiary through AT Coop)
	Apollo Tyres (NL) B.V. (Formerly Apollo Vredestein B.V.) (ATNL) (Subsidiary through ATEU)	Apollo Vredestein B.V., Netherlands (AVBV) (Subsidiary through ATBV)
	Apollo Tyres Centre of Excellence Limited	Apollo Tyres Centre of Excellence Limited (note(a))
	Subsidiaries of Apollo Tyres (NL) B.V.:	**Subsidiaries of Apollo Vredestein B.V (AVBV):**
	Apollo Tyres (Germany) GmbH (Formerly Apollo Vredestein GmbH) (AT GmbH)	Apollo Vredestein GmbH, Germany
	Apollo Tyres (Nordic) A.B. (Formerly Apollo Vredestein Nordic A.B.)	Apollo Vredestein Nordic A.B., Sweden
	Apollo Tyres (UK) Sales Ltd (Formerly Apollo Vredestein (UK) Limited)	Apollo Vredestein U.K. Limited, United Kingdom
	Apollo Tyres (France) SAS (Formerly Apollo Vredestein France SAS)	Apollo Vredestein SAS, France
	Apollo Tyres (Belux) SA (Formerly Apollo Vredestein Belux)	Apollo Vredestein Belux, Belgium
	Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly Apollo Vredestein Gesellschaft m.b.H.)	Apollo Vredestein Gesellschaft m.b.H., Austria
	Apollo Tyres (Schweiz) AG (Formerly Apollo Vredestein Schweiz AG)	Apollo Vredestein Schweiz AG, Switzerland
	Apollo Tyres Iberica S.A. (Formerly Apollo Vredestein Iberica SAU)	Apollo Vredestein Iberica SA, Spain
	Apollo Tyres (Hungary) Sales Kft (Formerly Apollo Vredestein Kft) (AT Kft)	Apollo Vredestein Kft, Hungary
	Apollo Tyres (Polska) Sp. Z.o.o. (Formerly Apollo Vredestein Opony Polska Sp. Z.o.o.)	Apollo Vredestein Opony Polska Sp. Zo.o., Poland
	Vredestein Consulting B.V.,Netherlands	Vredestein Consulting B.V.,Netherlands

	Year ended March 31, 2022	Year ended March 31, 2021
	Finlo B.V. Netherlands	Finlo B.V. Netherlands
	N.A.	Vredestein Marketing B.V., Netherlands (note(b))
Associates	CSE Deccan Solar Private Limited (note(c))	N.A
	KT Telematic Solutions Private Limited (note(d))	KT Telematic Solutions Private Limited
Joint venture	PanAridus LLC, USA (JV through ATHS) (note(e))	PanAridus LLC, USA (JV through ATHS)
Companies in which directors are interested	Apollo International Limited	Apollo International Limited
	Apollo International FZC	Apollo International FZC
	SunLife Tradelinks (P) Ltd.	SunLife Tradelinks (P) Ltd.
	Nutriburst India Pvt. Ltd.	Nutriburst India Pvt. Ltd.
	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)	Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Ltd.)
	PTL Enterprises Ltd.	PTL Enterprises Ltd.
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Shardul Amarchand Mangaldas & Co.	Shardul Amarchand Mangaldas & Co.
	Regent Properties	Regent Properties
Key management personnel	Mr. Onkar Kanwar	Mr. Onkar Kanwar
	Mr. Neeraj Kanwar	Mr. Neeraj Kanwar
	Mr. Satish Sharma	Mr. Satish Sharma
	Mr. Akshay Chudasama	Mr. Akshay Chudasama
	Gen. Bikram Singh (Retd.)	Gen. Bikram Singh (Retd.)
	Mr. Francesco Gori	Mr. Francesco Gori
	Ms. Pallavi Shroff	Ms. Pallavi Shroff
	Mr. Robert Steinmetz	Mr. Robert Steinmetz
	Mr. Sunam Sarkar	Mr. Sunam Sarkar
	Mr. Vikram S. Mehta	Mr. Vikram S. Mehta
	Mr. Vinod Rai	Mr. Vinod Rai
	Ms. Anjali Bansal *	Ms. Anjali Bansal
	Mr. Francesco Cripino	Mr. Francesco Cripino
	Mr. Vishal Kashyap Mahadevia	Mr. Vishal Kashyap Mahadevia
	Ms. Lakshmi Puri **	N.A.

Notes: Related parties and their relationships are as identified by the management and relied upon by the auditors. All transactions are conducted in the ordinary course of business and at arm's length.

(a) In the process of liquidation.

(b) Liquidated during the year

(c) During the year under review, the Company had made an investment of ₹ 93.30 million by purchasing 1,166,250 Equity Shares (27.20%) of CSE Deccan Solar Private Limited on January 14, 2022, to get a guaranteed supply of 40 million units of electricity per annum for its Chennai Plant. Consequent to this investment, CSE Deccan Solar Private Limited has become an Associate Company.

(d) As on March 31, 2022, the Company has an investment of ₹ 45.01 million in the said associate.

(e) The investment in Pan Aridus LLC, has been fully impaired in the prior years and the Group discontinued recognizing further losses in accordance with Ind AS 28 Investments in Associates and Joint Ventures. The Group does not have any further obligations to satisfy with regard to this joint venture.

* Ceased to be director during the year

** Appointed during the year

Transactions and balances with Related Parties:

FY 2021-22

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Description of transactions:					
Sales: Finished goods					
Apollo Tyres (NL) B.V.	4,427.85	–	–	–	4,427.85
Apollo Tyres Middle East Fze.	4,969.89	–	–	–	4,969.89
Apollo Tyres Thailand Ltd.	2,183.70	–	–	–	2,183.70
Apollo Tyres Africa (Pty) Ltd	1,024.71	–	–	–	1,024.71
Apollo Tyres (Malaysia) Sdn Bhd	5.74	–	–	–	5.74
Apollo Tyres (Hungary) Kft	285.28	–	–	–	285.28
Apollo International FZC	–	380.88	–	–	380.88
Apollo Tyres Global R&D B.V	1.86	–	–	–	1.86
Apollo International Limited	-	70.18			70.18
Apollo Tires (US) INC.	1453.90				1453.90
	14,352.93	**451.06**	**–**	**–**	**14,803.99**
Sales: Raw materials					
Classic Industries and Exports Ltd.	–	735.71	–	–	735.71
Investments made:					
CSE Deccan Solar Private Limited	–	–	93.30	–	93.30
Royalty income:					
Apollo Tyres Middle East Fze.	22.32	–	–	–	22.32
Apollo Tyres Thailand Ltd.	17.00	–	–	–	17.00
Apollo Tyres Africa (Pty) Ltd	44.21	–	–	–	44.21
Apollo Tyres (Malaysia) Sdn Bhd	0.13	–	–	–	0.13
	83.66	**–**	**–**	**–**	**83.66**
Cross charge of management and other expenses received :					
Apollo Tyres Middle East Fze.	1.57	-	–	–	1.57
Apollo Tyres Global R & D B.V.	1.76	-	–	–	1.76
Apollo Tyres Thailand Ltd.	1.69	-	–	–	1.69
PTL Enterprises Ltd.	-	0.85	–		0.85
Classic Industries and Exports Ltd.	-	1.69	–		1.69
Apollo Tyres Africa (Pty) Ltd	1.73	-	–	–	1.73
Artemis Medicare Services Ltd.	-	0.71	–		0.71
Apollo Tyres (Hungary) Kft	83.37	-	–	–	83.37
Apollo Tyres Holdings (Singapore) Pte Ltd.	65.04	-	–	–	65.04
Apollo Tyres (Malaysia) Sdn Bhd	0.58	-	–	–	0.58
Apollo Tyres (US) INC.	98.72	-	–	–	98.72
Apollo Tyres (UK) Holdings Ltd.	0.29	-	–	–	0.29
Apollo Tyres (NL) B.V.	94.22	-	–	–	94.22
	348.97	**3.25**	**–**	**–**	**352.22**

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Cross charges for business support services paid:					
Apollo Tyres Centre Of Excellence Limited	9.96	–	–	–	9.96
Cross charges for facility mgt. & support services received:					
Apollo Tyres Centre Of Excellence Limited	1.41	–	–	–	1.41
Rent received:					
PTL Enterprises Ltd.	–	0.39	–	–	0.39
Classic Industries and Exports Ltd.	–	1.06	–	–	1.06
	–	**1.45**	**–**	**–**	**1.45**
Reimbursement of expenses received:					
Apollo Tyres Middle East Fze.	3.74	–	–		3.74
Apollo Tyres Global R & D B.V.	15.68	–	–		15.68
Apollo Tyres Thailand Ltd.	4.44	–	–		4.44
Classic Industries and Exports Ltd.	-	11.85	–		11.85
Apollo Tyres Africa (Pty) Ltd	2.47	–	–		2.47
Apollo Tyres (Hungary) Kft	78.87	–	–		78.87
Apollo Tyres Holdings (Singapore) Pte Ltd.	96.48	–	–		96.48
Apollo Tyres AG, Switzerland	100.02	–	–		100.02
Apollo Tyres (Malaysia) Sdn Bhd	2.19	–	–		2.19
Reifencom GmbH	0.06	–	–		0.06
Apollo Tyres (NL) B.V.	161.66				161.66
Apollo Tyres (UK) Holdings Ltd.	15.35				15.35
Apollo Tires (US) INC.	1.37				1.37
	482.33	**11.85**	**–**	**–**	**494.18**
Freight and insurance recovered:					
Apollo Tyres Middle East Fze.	482.52	–	–	–	482.52
Apollo Tyres Thailand Ltd.	62.96	–	–	–	62.96
Apollo Tyres Africa (Pty) Ltd	170.26	–	–	–	170.26
Apollo Tyres (NL) B.V.	1,159.58	-			1,159.58
Apollo Tyres Global R&D B.V	4.76	–	–	–	4.76
Apollo Tyres (Hungary) Kft	49.76	–	–	–	49.76
Apollo Tyres (Malaysia) Sdn Bhd	0.11	–	–	–	0.11
Apollo Tires (US) INC.	671.29				671.29
Apollo International FZC	-	0.02			0.02
	2,601.24	**0.02**	**–**	**–**	**2,601.26**
Royalty expense:					
Apollo Tyres AG, Switzerland	110.68	–	–	–	110.68
Purchase of raw material					
Apollo Tyres Holdings (Singapore) Pte Ltd.	34,589.81	–	–	–	34,589.81

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Purchase of stock in trade:					
Classic Industries and Exports Ltd.		3,836.80	–	-	3,836.80
Apollo Tyres (NL) B.V.	196.99				196.99
	196.99	**3,836.80**	**–**	**-**	**4,033.79**
Purchase of asset:					
Classic Industries and Exports Ltd.		757.19	–	-	757.19
Apollo Tyres (NL) B.V.	21.25		–		21.25
Apollo Tyres (Hungary) Kft	40.21		–	-	40.21
	61.46	**757.19**	**–**	**-**	**818.65**
Legal and professional charges paid:					
Shardul Amarchand Mangaldas & Co	–	3.21	–	–	3.21
Reimbursement of expenses paid:					
PTL Enterprises Ltd.		669.66	–	–	669.66
Classic Industries and Exports Ltd.		19.44	–	–	19.44
Apollo Tyres (NL) B.V.	171.44		–	–	171.44
Apollo Tyres Thailand Ltd.	17.89		–	–	17.89
Apollo Tyres Middle East Fze.	26.71		–	–	26.71
Apollo Tyres Global R & D B.V.	74.56		–	–	74.56
Apollo Tyres Holdings (Singapore) Pte Ltd.	5.13		–	–	5.13
Apollo Tyres (Malaysia) Sdn Bhd	0.24		–	–	0.24
Apollo Tyres (Hungary) Kft	0.38		–	–	0.38
Apollo Tyres (UK) Holdings Ltd.	1.87				1.87
Apollo Tyres Africa (Pty) Ltd	0.51				0.51
Apollo Tires (US) INC.	10.67		–	–	10.67
	309.40	**689.10**	**–**	**–**	**998.50**
Payment for services received:					
Artemis Medicare Services Ltd.	–	94.95	–	–	94.95
KT Telematic Solutions Private Limited	–	–	0.88	–	0.88
Classic Industries and Exports Ltd.	–	13.70	–	–	13.70
	–	**108.65**	**0.88**	**–**	**109.53**
Cross charge of R & D expenses paid:					
Apollo Tyres Global R & D B.V.	575.95	–	–	–	575.95
Cross charge of other expenses paid:					
Apollo Tyres (UK) Holdings Ltd.	916.11	–	–	–	916.11
Apollo Tyres Holdings (Singapore) Pte Ltd.	261.35	–	–	–	261.35
	1,177.46	**–**	**–**	**–**	**1,177.46**
Lease rent paid:					
PTL Enterprises Ltd.	–	600.00	–	–	600.00
Rent paid:					
Sunlife Tradelinks (P) Ltd.	–	31.82	–	–	31.82

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Regent Properties	–	23.76	–	–	23.76
Classic Industries and Exports Ltd.	–	0.12	–	–	0.12
	–	**55.70**	**–**	**–**	**55.70**
Mixing charges paid:					
Classic Industries and Exports Ltd.	–	178.07	–	–	178.07
Sale of assets:					
Apollo Tyres (Hungary) Kft.	1.75	–	–	–	1.75
Purchase of supplements for employees:					
Nutriburst India Pvt. Ltd.	–	58.31	–	–	58.31
Commission on sales paid					
Apollo Tyres Thailand Ltd.	74.83	–	–	–	74.83
Guarantee commission received					
Apollo Tyres Co-Operatief U.A	8.28	–	–	–	8.28
Managerial remuneration:					
Mr. Onkar Kanwar	–	–	–	140.14	140.14
Mr. Neeraj Kanwar	–	–	–	122.62	122.62
Mr. Satish Sharma	–	–	–	89.58	89.58
	–	**–**	**–**	**352.34**	**352.34**
Sitting fees:					
Non-executive directors	–	–	–	4.13	4.13
Commission:					
Non-executive directors	–	–	–	38.00	38.00

Amount outstanding as on March 31, 2022

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Trade payable:					
Apollo Tyres AG, Switzerland	29.83	–	–	–	29.83
Apollo Tyres (NL) B.V.	69.15	–	–	–	69.15
Apollo Tyres (UK) Holdings Ltd.	244.61	–	–	–	244.61
Apollo Tyres Global R&D B.V.	191.58	–	–	–	191.58
Apollo Tyres Middle East Fze.	19.75	–	–	–	19.75
Classic Industries and Exports Ltd.	–	511.16	–	–	511.16
Apollo Tyres (Thailand) Ltd.	245.72	–	–	–	245.72
Apollo Tyres Africa (Pty) Ltd	3.89	–	–	–	3.89

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Artemis Medicare Services Ltd.	–	5.96	–	–	5.96
Shardul Amarchand Mangaldas & Co.	–	0.49	–	–	0.49
Apollo Tyres Centre of Excellence Limited	10.67	–	–	–	10.67
Apollo Tyres Holdings (Singapore) Pte Ltd.	5,924.04	–	–	–	5,924.04
	6,739.24	**517.61**	**–**	**–**	**7,256.85**
Other current liabilities (financial):					
Apollo Tyres (NL) B.V.	1.37	–	–	–	1.37
Classic Industries and Exports Ltd.	–	123.26	–	–	123.26
Apollo International FZC	–	18.11	–	–	18.11
KT Telematic Solutions Private Limited	–	–	0.25	–	0.25
Apollo Tyres Global R&D B.V.	0.39	–	–	–	0.39
Apollo Tires (US) INC.	0.45	–	–	–	0.45
Apollo Tyres (Hungary) Kft	3.95	–	–	–	3.95
	6.16	**141.37**	**0.25**	**–**	**147.78**
Other non current financial assets*					
PTL Enterprises Ltd.	–	600.00	–	–	600.00
Sunlife Tradelinks	–	5.86	–	–	5.86
Regent Properties	–	5.40	–	–	5.40
	–	**611.26**	**–**	**–**	**611.26**
Other non current assets					
Classic Industries and Exports Ltd.	–	194.27	–	–	194.27
Trade receivable:					
Apollo Tyres (NL) B.V.	1,432.06	–	–	–	1,432.06
Apollo Tyres Africa (Pty) Ltd	330.77	–	–	–	330.77
Apollo International Limited	–	59.45	–	–	59.45
Apollo Tyres Middle East Fze.	336.70	–	–	–	336.70
Apollo Tyres (Hungary) Kft	101.40	–	–	–	101.40
Apollo Tyres (Thailand) Ltd.	250.48	–	–	–	250.48
Apollo Tyres Global R & D B.V.	0.69	–	–	–	0.69
Apollo Tires (US) INC.	1,063.93	–	–	–	1,063.93
	3,516.03	**59.45**	**–**	**–**	**3,575.48**
Other current assets					
Apollo Tyres Africa (Pty) Ltd	117.32	–	–	–	117.32
Apollo Tyres (NL) B.V.	63.13	–	–	–	63.13
Apollo Tyres Thailand Ltd.	59.00	–	–	–	59.00
PTL Enterprises Ltd.		51.74	–	–	51.74
Classic Industries and Exports Ltd.		263.31	–	–	263.31
Apollo Tyres (Hungary) Kft	27.36	–	–	–	27.36
Apollo Tyres Middle East Fze.	28.20	–	–	–	28.20
Apollo Tyres Co-Operatief U.A	10.53	–	–	–	10.53
Apollo Tyres Global R&D B.V	9.03	–	–	–	9.03

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres Holdings (Singapore) Pte Ltd.	14.26	–	–	–	14.26
Apollo Tires (US) INC.	16.70	–	–	–	16.70
Apollo Tyres (UK) Holdings Ltd.	8.39	–	–	–	8.39
Apollo Tyres Centre of Excellence Limited	1.67	–	–	–	1.67
	355.59	**315.05**	**–**	**–**	**670.64**

Transactions and balances with Related Parties

FY 2020-21

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Description of transactions:					
Sales: Finished goods					
Apollo Vredestein B.V.	2,132.01	–	–	–	2,132.01
Apollo Tyres Middle East Fze.	2,251.26	–	–	–	2,251.26
Apollo Tyres Thailand Ltd.	1,388.83	–	–	–	1,388.83
Apollo Tyres Africa (Pty) Ltd	698.05	–	–	–	698.05
Apollo Tyres (Malaysia) Sdn Bhd	198.05	–	–	–	198.05
Apollo Tyres (Hungary) Kft	74.66	–	–	–	74.66
Apollo International FZC	–	378.02	–	–	378.02
Apollo Tyres Global R&D B.V	1.07	–	–	–	1.07
Apollo Vredestein Tires Inc.	14.62	–	–	–	14.62
	6,758.55	**378.02**	**–**	**–**	**7,136.57**
Sales: Raw materials					
Classic Industries and Exports Ltd.	–	404.53	–	–	404.53
Investments made:					
Apollo Tyres Centre of Excellence Limited	1.00	–	–	–	1.00
Royalty income:					
Apollo Tyres Middle East Fze.	11.57	–	–	–	11.57
Apollo Tyres Thailand Ltd.	9.67	–	–	–	9.67
Apollo Tyres Africa (Pty) Ltd	29.40	–	–	–	29.40
Apollo Tyres (Malaysia) Sdn Bhd	0.67	–	–	–	0.67
	51.31	**–**	**–**	**–**	**51.31**
Cross charge of management and other expenses received :					
Apollo Vredestein B.V.	112.93	–	–	–	112.93
Apollo Tyres Middle East Fze.	2.48	–	–	–	2.48
Apollo Tyres Global R & D B.V.	3.43	–	–	–	3.43
Apollo Tyres (UK) Pvt. Ltd.	2.57	–	–	–	2.57
Apollo Tyres Thailand Ltd.	2.65	–	–	–	2.65
PTL Enterprises Ltd.	–	0.85	–	–	0.85

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Classic Industries and Exports Ltd.	–	1.69			1.69
Apollo Tyres Africa (Pty) Ltd	2.14	–	–	–	2.14
Artemis Medicare Services Ltd.	–	0.60	–	–	0.60
Apollo Tyres (Hungary) Kft	83.97	–	–	–	83.97
Apollo Tyres Holdings (Singapore) Pte Ltd.	43.84	–	–	–	43.84
Apollo Tyres (Malaysia) Sdn Bhd	1.23	–	–	–	1.23
Apollo Vredestein Tires Inc.	40.58	–	–	–	40.58
	295.82	**3.14**	**–**	**–**	**298.96**
Rent received:					
PTL Enterprises Ltd.	–	0.39	–	–	0.39
Classic Industries and Exports Ltd.	–	1.06	–	–	1.06
	–	**1.45**	**–**	**–**	**1.45**
Reimbursement of expenses received:					
Apollo Vredestein B.V.	158.03	–	–	–	158.03
Apollo Tyres Middle East Fze.	2.98	–	–	–	2.98
Apollo Tyres Global R & D B.V.	10.08	–	–	–	10.08
Apollo Tyres Thailand Ltd.	4.00	–	–	–	4.00
Apollo Tyres (UK) Pvt. Ltd.	14.98	–	–	–	14.98
Classic Industries and Exports Ltd.	–	10.61	–	–	10.61
Apollo Tyres Africa (Pty) Ltd	2.16	–	–	–	2.16
Apollo Tyres (Hungary) Kft	58.93	–	–	–	58.93
Apollo Tyres Holdings (Singapore) Pte Ltd.	129.48	–	–	–	129.48
Apollo Tyres AG, Switzerland	98.41	–	–	–	98.41
Apollo Tyres (Malaysia) Sdn Bhd	4.00	–	–	–	4.00
Reifencom GmbH	0.67	–	–	–	0.67
Apollo Vredestein Tires Inc.	1.43	–	–	–	1.43
	485.15	**10.61**	**–**	**–**	**495.76**
Freight and insurance recovered:					
Apollo Tyres Middle East Fze.	91.33	–	–	–	91.33
Apollo Tyres Thailand Ltd.	21.03	–	–	–	21.03
Apollo Tyres Africa (Pty) Ltd	43.60	–	–	–	43.60
Apollo Vredestein B.V.	157.01	–	–	–	157.01
Apollo Tyres Global R&D B.V	3.91	–	–	–	3.91
Apollo Tyres (Hungary) Kft	5.79	–	–	–	5.79
Apollo Tyres (Malaysia) Sdn Bhd	2.48	–	–	–	2.48
Apollo Vredestein Tires Inc.	6.72	–	–	–	6.72
	331.87	**–**	**–**	**–**	**331.87**
Royalty expense:					
Apollo Tyres AG, Switzerland	41.22	–	–	–	41.22

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Purchase of raw material					
Apollo Tyres Holdings (Singapore) Pte Ltd.	22,131.38	–	–	–	22,131.38
Apollo Tyres (Hungary) Kft.	7.73	–	–	–	7.73
	22,139.11	**–**	**–**	**–**	**22,139.11**
Purchase of stock in trade:					
Classic Industries and Exports Ltd.	–	2,946.00	–	–	2,946.00
Apollo Vredestein B.V.	148.66	–	–	–	148.66
	148.66	**2,946.00**	**–**		**3,094.66**
Purchase of asset:					
Classic Industries and Exports Ltd.	–	1,344.05	–	–	1,344.05
Apollo Tyres (UK) Pvt Ltd.	0.61	–	–	–	0.61
Apollo Vredestein B.V.	20.68	–	–	–	20.68
Apollo Tyres (Hungary) Kft	44.88	–	–	–	44.88
	66.17	**1,344.05**	**–**	**–**	**1,410.22**
Legal and professional charges paid:					
Shardul Amarchand Mangaldas & Co	–	9.13	–	–	9.13
Reimbursement of expenses paid:					
PTL Enterprises Ltd.	–	653.33	–	–	653.33
Classic Industries and Exports Ltd.	–	4.66	–	–	4.66
Apollo Vredestein B.V.	18.80	–	–	–	18.80
Apollo Tyres Thailand Ltd.	47.61	–	–	–	47.61
Apollo Tyres Middle East Fze.	13.96	–	–	–	13.96
Apollo Tyres (UK) Pvt. Ltd.	2.76	–	–	–	2.76
Apollo Tyres Global R & D B.V.	62.05	–	–	–	62.05
Apollo Tyres Holdings (Singapore) Pte Ltd.	2.15	–	–	–	2.15
Apollo Tyres (Malaysia) Sdn Bhd	18.86	–	–	–	18.86
Apollo Tyres (Hungary) Kft	3.16	–	–	–	3.16
Apollo Vredestein Tires Inc.	7.54	–	–	–	7.54
	176.89	**657.99**	**–**	**–**	**834.88**
Payment for Services Received:					
Artemis Medicare Services Ltd.		22.54			22.54
Classic Industries and Exports Ltd.		7.80			7.80
		30.34			**30.34**
Cross charge of R & D expenses paid:					
Apollo Tyres Global R & D B.V.	544.31	–	–	–	544.31
Cross charge of other expenses paid:					
Apollo Tyres (UK) Pvt. Ltd.	774.82	–	–	–	774.82
Apollo Tyres Holdings (Singapore) Pte Ltd.	188.44	–	–	–	188.44
	963.26	**–**	**–**	**–**	**963.26**

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Lease rent paid:					
PTL Enterprises Ltd.	–	600.00	–	–	600.00
Rent paid:					
Sunlife Tradelinks (P) Ltd.	–	30.99	–	–	30.99
Regent Properties	–	23.76	–	–	23.76
Classic Industries and Exports Ltd.	–	0.12	–	–	0.12
	–	**54.87**	**–**	**–**	**54.87**
Mixing charges paid:					
Classic Industries and Exports Ltd.	–	190.45	–	–	190.45
Commission on sales paid					
Apollo Tyres Thailand Ltd.	49.09	–	–	–	49.09
Apollo Tyres Middle East Fze.	3.36	–	–	–	3.36
	52.45	**–**	**–**	**–**	**52.45**
Guarantee commission received					
Apollo Tyres Co-Operatief U.A	11.35	–	–	–	11.35
Managerial remuneration:					
Mr. Onkar Kanwar	–	–	–	420.82	420.82
Mr. Neeraj Kanwar	–	–	–	368.21	368.21
Mr. Satish Sharma	–	–	–	68.52	68.52
	–	**–**	**–**	**857.55**	**857.55**
Sitting fees:					
Non-executive directors	–	–	–	5.77	5.77
Commission:					
Non-executive directors	–	–	–	45.00	45.00

Amount outstanding as on March 31, 2021

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Trade payable:					
Apollo Tyres AG, Switzerland	15.46	–	–	–	15.46
Apollo Vredestein B.V.	55.76	–	–	–	55.76
Apollo Tyres (UK) Pvt. Ltd.	185.16	–	–	–	185.16
Apollo Tyres Global R&D	153.03	–	–	–	153.03
Apollo Tyres Middle East Fze.	42.99	–	–	–	42.99
Classic Industries and Exports Ltd.	–	410.61	–	–	410.61
Apollo Tyres (Thailand) Ltd.	155.47	–	–	–	155.47
Apollo Tyres Africa (Pty) Ltd	3.20	–	–	–	3.20
Artemis Medicare Services Ltd.	–	1.69	–	–	1.69

₹ Million

	Subsidiaries	Entities in which Directors are interested	Associate	Key Management Personnel	Total
Apollo Tyres Holdings (Singapore) Pte Ltd.	3,105.88	–	–	–	3,105.88
Apollo Tyres (Malaysia) Sdn Bhd	4.81	–	–	–	4.81
	3,721.76	**412.30**	**–**	**–**	**4,134.06**
Other current liabilities (financial):					
Apollo Vredestein B.V.	7.11	–	–	–	7.11
Classic Industries and Exports Ltd.	–	419.85	–	–	419.85
Apollo Vredestein Tires Inc.	3.39	–	–	–	3.39
Apollo Tyres (UK) Pvt Ltd.	1.34	–	–	–	1.34
Apollo International FZC	–	16.11	–	–	16.11
Apollo Tyres (Hungary) Kft	7.33	–	–	–	7.33
	19.17	**435.96**	**–**	**–**	**455.13**
Other non current financial assets*					
PTL Enterprises Ltd.	–	600.00	–	–	600.00
Sunlife Tradelinks	–	5.86	–	–	5.86
Regent Properties	–	5.40	–	–	5.40
	–	**611.26**	**–**	**–**	**611.26**
Other non current assets					
Classic Industries and Exports Ltd.	–	152.44	–	–	152.44
Trade receivable:					
Apollo Vredestein B.V.	483.73	–	–	–	483.73
Apollo Tyres Africa (Pty) Ltd	355.86	–	–	–	355.86
Apollo Tyres Middle East Fze.	103.81	–	–	–	103.81
Apollo Tyres (Hungary) Kft	24.87	–	–	–	24.87
Apollo Tyres (Thailand) Ltd.	133.63	–	–	–	133.63
Apollo Tyres Global R & D B.V.	5.87	–	–	–	5.87
Apollo Tyres (Malaysia) Sdn Bhd	19.79	–	–	–	19.79
Apollo Vredestein Tires Inc.	22.09	–	–	–	22.09
	1,149.65	**–**	**–**	**–**	**1,149.65**
Other current assets					
Apollo Tyres Africa (Pty) Ltd	62.78	–	–	–	62.78
Apollo Vredestein B.V.	44.15	–	–	–	44.15
Apollo Tyres Thailand Ltd.	34.07	–	–	–	34.07
PTL Enterprises Ltd.	–	64.97	–	–	64.97
Classic Industries and Exports Ltd.	–	213.60	–	–	213.60
Apollo Tyres (Hungary) Kft	23.38	–	–	–	23.38
Apollo Tyres Middle East Fze.	45.85	–	–	–	45.85
Apollo Tyres Co-Operatief U.A	2.78	–	–	–	2.78
Apollo Tyres (UK) Pvt. Ltd.	2.21	–	–	–	2.21
Apollo Tyres Global R&D B.V	48.79	–	–	–	48.79
Apollo Vredestein Tires Inc.	5.50	–	–	–	5.50
Apollo Tyres Holdings (Singapore) Pte Ltd.	13.69	–	–	–	13.69
Apollo Tyres (Malaysia) Sdn Bhd	2.22	–	–	–	2.22
Reifencom GmbH	0.70	–	–	–	0.70
	286.12	**278.57**	**–**	**–**	**564.69**

Certain KMPs also participate in post employment benefits plans provided by the Company. The amount in respect of these towards the KMPs can not be segregated as these are based on actuarial valuation for all employees of the Company.

*This represents undiscounted value.

C21 Disclosure required by Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the related parties

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

₹ Million

	Outstanding as at the end of the year	Maximum amount outstanding during the year	Investments outstanding and maximum balance during the year
Subsidiaries			
Year ended March 31, 2022			
Apollo Tyres Cooperatief U.A	–	–	23,973.19
Apollo Tyres (Green Field) B.V.	–	–	2.74
Apollo Tyres Centre of Excellence Limited	–	–	50.00
Year ended March 31, 2021			
Apollo Tyres Cooperatief U.A	–	–	23,973.19
Apollo Tyres (Green Field) B.V.	–	–	2.74
Apollo Tyres Centre of Excellence Limited	–	–	1.00
Associates			
Year ended March 31, 2022			
KT Telematic Solutions Private Limited	–	–	45.01
CSE Deccan Solar Private Limited	–	–	93.30
Year ended March 31, 2021			
KT Telematic Solutions Private Limited	–	–	45.01

C22 Segment reporting

The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

C23 Events after the balance sheet date

The Board of Directors have recommended a final dividend of **₹ 3.25** (₹ 3.50) per share amounting to **₹ 2,064.08 Million** (₹ 2,222.85 Million) on Equity Shares of Re. 1/- each for the year, subject to approval from Shareholders.

C24 Information on details of loans, guarantees and investments under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

i) Details of investments made are given in note B2.*

ii) Corporate guarantees issued for the loan taken by the subsidiary company and outstanding in accordance with Section 186 of the Act read with rules issued thereunder.

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Apollo Tyres Cooperatief U.A	1,849.54	6,179.76
Total	**1,849.54**	**6,179.76**

* All transactions are in the ordinary course of business

C25 Reconciliation of liabilities from financing activities

Effective April 01, 2017, the Company adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure are presented below:

₹ Million

	As on April 01, 2021	Cash flows	Non cash changes				As on March 31, 2022
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	42,460.45	(599.08)	(14.39)	–	–	11.73	41,858.71
Current borrowings	1,004.85	1,000.00	–	–	–	(0.67)	2,004.18
Lease liability	5,351.07	(1,340.64)	–	455.53	1,120.02	(69.63)	5,516.35

₹ Million

	As on April 01, 2020	Cash flows	Non cash changes				As on March 31,2021
			Foreign exchange movement*	Interest expense	New leases	Others	
Non-current borrowings (including current maturities)	32,754.66	10,160.96	(476.88)	–	–	21.71	42,460.45
Current borrowings	11,180.69	(10,180.00)	–	–	–	4.16	1,004.85
Lease liability	6,137.80	(1,269.98)	–	443.00	131.04	(90.79)	5,351.07

* Foreign exchange movement is hedged by derivative instrument.

C26 Ageing of Trade Payables

₹ Million

	As on March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	713.70	0.03	–	–	–	713.73
Others	3,331.26	19,851.99	3,946.15	–	–	–	27,129.40
Disputed dues – MSME	–	–	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–	–	–
Total	**3,331.26**	**20,565.70**	**3,946.18**	**–**	**–**	**–**	**27,843.13**

₹ Million

	As on March 31, 2021						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	628.62	0.39	0.02	–	–	629.03
Others	3,609.39	11,343.79	3,710.38	–	–	–	18,663.55
Disputed dues – MSME	–	–	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–	–	–
Total	**3,609.39**	**11,972.41**	**3,710.76**	**0.02**	**–**	**–**	**19,292.58**

C27 Ageing of Trade Receivables

₹ Million

	As on March 31, 2022						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	7,219.61	2,740.22	–	–	–	–	9,959.83
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	24.40	24.40
Undisputed Trade Receivables – credit impaired	–	–	–	–	–	(24.40)	(24.40)
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**7,219.61**	**2,740.22**	**–**	**–**	**–**	**–**	**9,959.83**

₹ Million

	As on March 31, 2021						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	7,047.11	273.25	–	–	–	–	7,320.36
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	24.40	24.40
Undisputed Trade Receivables – credit impaired	–	–	–	–	–	(24.40)	(24.40)
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**7,047.11**	**273.25**	**–**	**–**	**–**	**–**	**7,320.36**

C28 Capital Work in Progress (CWIP)

a) CWIP ageing schedule

₹ Million

	As on March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,951.35	721.23	261.93	545.84	5,480.36
Total	**3,951.35**	**721.23**	**261.93**	**545.84**	**5,480.36**

₹ Million

	As on March 31, 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,897.16	3,107.21	1,003.16	292.02	10,299.55
Total	**5,897.16**	**3,107.21**	**1,003.16**	**292.02**	**10,299.55**

There are no projects which are temporarily suspended

b) There is no project in CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

C29 Analytical Ratios

	31.03.2022	31.03.2021	Variance	Reason
Current ratio (in times) (Current assets / Current liabilities)	0.93	1.13	(17.67%)	
Debt equity ratio (in times) [Total debt / equity]	0.46	0.46	0.43%	
Debt service coverage ratio (in times) # [(Profit after tax + interest expense + depreciation & amortisation expense + exceptional items + loss/(gain) on sale of fixed assets) / (Gross interest + lease payment + repayment of non-current borrowings excluding pre-payments)]	1.29	2.81	(54.02%)	Higher repayments and lower profitability led to reduction in debt service coverage ratio.
Return on equity (ROE) (Net Profits after taxes – Preference Dividend (if any)/ Average Shareholder's Equity)	2.75%	8.42%	(67.36%)	Lower profitability led to reduction in return on equity.
Inventory turnover (in times) # [Revenue from operations / Average inventory]	6.45	6.04	6.82%	
Trade receivables turnover (in times) # [Revenue from operations / Average trade receivables]	16.96	19.94	(14.95%)	
Trade payables turnover (in times) # (Net Purchases/ Average Trade Payables)	4.41	4.05	8.80%	
Net capital turnover ratio (Net sales/ Working capital)	48.48	10.17	376.97%	Higher sales and lower working capital led to increase in capital turnover ratio.
Net profit margin (in %) [Profit after tax / Revenue from operations]	1.78%	6.16%	(71.07%)	Higher raw material cost led to reduction in net profit margin.

	31.03.2022	31.03.2021	Variance	Reason
Return on capital employed (ROCE) (Earning before interest and taxes/ Capital Employed)	5.02%	9.95%	(49.54%)	Lower profitability led to reduction in return on capital employed.
Return on investment (Change in fair value of non current quoted investments/ Opening value of non current quoted investments)	96.67%	185.71%	(47.95%)	Change in fair market value of the investments

C30 Effective April 01, 2018. the Company has adopted Ind AS 115 " Revenue from Contracts with Customers" using the cumulative effect. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the financial statements of the Company.

The Company's revenue disaggregated by geographical markets is as follows:

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
India	1,20,413.18	1,02,843.79
Rest of the world	22,654.69	10,701.33
Total	**1,43,067.87**	**1,13,545.12**

Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price (as invoiced)	1,46,848.26	1,19,370.89
Reduction towards variable consideration components	(3,780.39)	(5,825.77)
Revenue from contract with customers	**1,43,067.87**	**1,13,545.12**

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

C31 On February 26, 2020, the Company executed an agreement with Emerald Sage Investment Ltd (an affiliate of Warburg Pincus LLC) to issue 108,000,000 6.34% Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, for cash, by way of preferential allotment on a private placement basis. The Members of the Company approved the issue of CCPS (Tranche 1) through its Extraordinary General Meeting held on March 23, 2020 and issue of CCPS (Tranche 2) through Postal Ballot held on September 24, 2020. The Company had allotted 54,000,000 CCPS (Tranche 1) and 54,000,000 CCPS (Tranche 2), for cash, for an aggregate amount of ₹ 10,800 Million on April 22, 2020 and October 7, 2020 respectively. These CCPS were accounted for as compound instruments in the financial statements. On December 5, 2020, one of the conditions for conversion were met and accordingly the Company had issued 63,050,966 equity shares having a face value of Re 1 per share. After issue of the aforesaid equity shares, the paid-up equity share capital of the Company had increased by ₹ 63.05 Million and securities premium account by ₹ 10,450.95 Million, net of share issue expenses.

C32 The Company had carried out an employee re-organisation exercise for its employees. The amount paid to the employees who opted for this scheme aggregated to **₹ 12.68 million** (₹ 110.16 million) for the year ended March 31, 2022, has been disclosed as an exceptional item.

C33 Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

C34 Previous year's figures has been regrouped and/ or reclassed wherever necessary to confirm to the current year's groupings and classifications.

C35 Earnings per share (EPS) – the numerator and denominator used to calculate basic and diluted earnings per share

₹ Million

	Year ended March 31, 2022	Year ended March 31, 2021
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (₹ Million) - (A)	2,610.64	7,228.21
The weighted average number of equity shares outstanding during the year used as denominator - (B)	635,100,946	616,962,997
Basic and diluted earnings per share (₹) – (A) / (B) (Face value of Re 1 each)	4.11	11.72

For and on behalf of the Board of Directors

ONKAR KANWAR
Chairman & Managing Director
DIN 00058921

NEERAJ KANWAR
Vice Chairman & Managing Director
DIN 00058951

VINOD RAI
Director
DIN 00041867

GAURAV KUMAR
Chief Financial Officer

SEEMA THAPAR
Company Secretary
Membership No - FCS 6690

Gurugram
May 12, 2022

Consolidated Financial Statements