

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(UNAUDITED) (refer note 5)					(AUDITED) (refer note 5)
1 Revenue from operations	62,795.65	62,445.80	59,560.47	125,241.45	118,980.49	245,681.30
2 Other income	263.21	355.43	68.51	608.64	174.55	410.92
3 Total income (1 + 2)	63,048.86	62,801.23	59,628.98	125,850.09	119,155.04	246,092.22
4 Expenses						
(a) Cost of materials consumed	26,349.21	28,773.97	31,015.57	55,123.18	65,070.13	122,619.59
(b) Purchases of stock-in-trade	6,081.50	6,059.23	6,053.11	12,140.73	11,949.29	26,782.74
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,690.64	(514.04)	(662.44)	1,176.60	(4,773.24)	(3,031.77)
(d) Employee benefits expense	7,394.15	7,387.79	6,140.76	14,781.94	12,593.47	26,199.21
(e) Finance costs	1,327.97	1,354.64	1,320.00	2,682.61	2,502.46	5,312.35
(f) Depreciation and amortisation expense	3,602.66	3,619.74	3,485.34	7,222.29	6,922.72	14,191.42
(g) Other expenses	9,682.12	10,224.34	9,893.28	19,906.46	20,122.56	39,975.00
Total expenses	56,128.14	56,905.67	57,245.62	113,033.81	114,387.39	232,048.54
5 Profit before share of profit / (loss) in associate / joint venture, exceptional items and tax (3 - 4)	6,920.72	5,895.56	2,383.36	12,816.28	4,767.65	14,043.68
6 Share of profit / (loss) in associate / joint venture	1.51	0.43	1.02	1.94	1.31	2.42
7 Profit before exceptional items and tax (5 + 6)	6,922.23	5,895.99	2,384.38	12,818.22	4,768.96	14,046.10
8 Exceptional items (refer note 4)	122.08	131.98	-	254.06	-	(225.77)
9 Profit before tax (7 - 8)	6,800.15	5,764.01	2,384.38	12,564.16	4,768.96	14,271.87
10 Tax expense						
(a) Current tax	981.44	964.39	281.95	1,945.83	723.71	2,506.93
(b) Deferred tax (refer note 5)	1,076.20	830.54	308.52	1,906.74	477.67	1,306.50
Total tax expense	2,057.64	1,794.93	590.47	3,852.57	1,201.38	3,813.43
11 Profit for the period / year (9 - 10)	4,742.51	3,969.08	1,793.91	8,711.59	3,567.58	10,458.44
12 Other comprehensive income / (loss)						
i. Items that will not be reclassified to profit or loss						
a. Re-measurement gain / (loss) of defined benefit plans	16.25	18.76	(176.02)	34.01	(186.45)	328.89
ii. Income tax	(5.70)	(6.59)	61.51	(12.29)	65.15	(85.24)
	9.55	12.17	(114.51)	21.72	(121.30)	243.65
ii. Items that will be reclassified to profit or loss						
a. Exchange differences in translating the financial statements of foreign operations	(2,820.42)	1,003.41	(3,367.97)	(1,817.01)	(6,305.67)	1,989.27
b. Effective portion of gain / (loss) on designated portion of hedging instruments in cash flow hedge	(9.26)	(16.83)	122.01	(26.09)	78.88	63.50
ii. Income tax	3.24	5.88	(42.63)	9.12	(27.56)	(22.19)
	(2,826.44)	992.46	(3,288.59)	(1,833.98)	(6,254.35)	2,030.58
Other comprehensive income / (loss) (i + ii)	(2,816.89)	1,004.63	(3,403.10)	(1,812.26)	(6,375.65)	2,274.23
13 Total comprehensive income / (loss) for the period / year (11 + 12)	1,925.62	4,973.71	(1,609.19)	6,899.33	(2,808.07)	12,732.67
14 Paid-up equity share capital (equity shares of Re 1 each)	635.10	635.10	635.10	635.10	635.10	635.10
15 Paid up debt capital	47,688.40	54,443.51	62,942.39	47,688.40	62,942.39	55,876.50
16 Reserves excluding revaluation reserves						125,115.67
17 Earnings per share (of Re 1 each) (not annualised)						
(a) Basic (Rs.)	7.47	6.25	2.82	13.72	5.62	16.47
(b) Diluted (Rs.)	7.47	6.25	2.82	13.72	5.62	16.47

Segment wise Revenue, Results, Assets and Liabilities

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

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

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

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

Rs. Million

PARTICULARS	CONSOLIDATED RESULTS					
	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(UNAUDITED) (refer note 5)					(AUDITED) (refer note 5)
1. Segment revenue						
APMEA	44,730.33	44,999.22	42,820.80	89,729.55	87,420.69	174,668.97
Europe	18,158.22	17,408.23	17,613.05	35,566.45	33,654.67	72,974.23
Others	10,196.26	11,689.29	15,132.38	21,885.55	28,100.09	48,783.10
Total segment revenue	73,084.81	74,096.74	75,566.23	147,181.55	149,175.45	296,426.30
Less: Inter segment revenue	10,289.16	11,650.94	16,005.76	21,940.10	30,194.96	50,745.00
Segment revenue	62,795.65	62,445.80	59,560.47	125,241.45	118,980.49	245,681.30
2. Segment results						
APMEA	6,711.98	6,108.74	2,049.40	12,820.72	4,194.71	12,346.87
Europe	959.79	659.56	998.01	1,619.35	1,784.46	5,107.68
Others	576.92	481.90	655.95	1,058.82	1,290.94	1,901.48
Total segment results	8,248.69	7,250.20	3,703.36	15,498.89	7,270.11	19,356.03
Less: Finance costs	1,327.97	1,354.64	1,320.00	2,682.61	2,502.46	5,312.35
Profit before share of profit / (loss) in associate / joint venture, exceptional items and tax	6,920.72	5,895.56	2,383.36	12,816.28	4,767.65	14,043.68
Share of profit / (loss) in associate / joint venture	1.51	0.43	1.02	1.94	1.31	2.42
Less: Exceptional items	122.08	131.98	-	254.06	-	(225.77)
Profit before tax	6,800.15	5,764.01	2,384.38	12,564.16	4,768.96	14,271.87
3. Segment assets						
APMEA	174,489.31	180,870.90	180,973.54	174,489.31	180,973.54	178,683.40
Europe	84,636.35	87,934.29	75,815.23	84,636.35	75,815.23	86,961.08
Others	14,631.39	16,145.74	18,729.54	14,631.39	18,729.54	15,537.73
Total segment assets	273,757.05	284,950.93	275,518.31	273,757.05	275,518.31	281,182.21
Unallocable / eliminations	(9,833.26)	(10,490.67)	(12,913.79)	(9,833.26)	(12,913.79)	(7,590.11)
Total segment assets	263,923.79	274,460.26	262,604.52	263,923.79	262,604.52	273,592.10
4. Segment liabilities						
APMEA	98,095.83	105,193.32	112,512.11	98,095.83	112,512.11	106,164.62
Europe	37,714.41	38,846.43	38,575.70	37,714.41	38,575.70	39,322.59
Others	7,849.08	9,785.38	13,524.21	7,849.08	13,524.21	9,573.81
Total segment liabilities	143,659.32	153,825.13	164,612.02	143,659.32	164,612.02	155,061.02
Unallocable / eliminations	(9,558.90)	(10,120.57)	(12,248.75)	(9,558.90)	(12,248.75)	(7,250.91)
Total segment liabilities	134,100.42	143,704.56	152,363.27	134,100.42	152,363.27	147,810.11

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs. Million

S.NO.	PARTICULARS	As at	As at
		September 30, 2023	March 31, 2023
		(UNAUDITED)	(AUDITED) (refer note 5)
A.	ASSETS		
1.	Non-current assets		
(a)	Property, plant and equipment	153,056.57	158,855.99
(b)	Capital work-in-progress	3,214.98	1,993.59
(c)	Right of use assets	7,223.77	7,998.33
(d)	Goodwill	2,254.52	2,288.21
(e)	Other intangible assets	7,017.20	7,386.83
(f)	Intangible assets under development	601.64	532.03
(g)	Financial assets		
i.	Investment in associate / joint venture	51.76	49.82
ii.	Other investments	307.94	290.94
iii.	Other financial assets	2,972.77	4,115.74
(h)	Deferred tax assets (net)	683.00	718.92
(i)	Other non-current assets	946.40	774.65
	Total non-current assets	178,330.55	185,005.05
2.	Current assets		
(a)	Inventories	42,106.38	44,284.62
(b)	Financial assets		
i.	Investments	1,536.54	4,016.94
ii.	Trade receivables	24,118.11	24,885.34
iii.	Cash and cash equivalents	7,240.16	8,360.11
iv.	Bank balances other than (iii) above	614.92	102.21
v.	Other financial assets	3,040.31	2,022.64
(c)	Other current assets	6,936.82	4,915.19
	Total current assets	85,593.24	88,587.05
	TOTAL ASSETS (1+2)	263,923.79	273,592.10
B.	EQUITY AND LIABILITIES		
1.	Equity		
(a)	Share capital	635.10	635.10
(b)	Other equity	129,188.27	125,146.89
	Total equity	129,823.37	125,781.99
2.	LIABILITIES		
2. Non-current liabilities			
(a)	Financial liabilities		
i.	Borrowings	29,083.19	37,898.44
ii.	Lease liabilities	5,452.61	6,141.74
(b)	Provisions	1,371.60	1,347.23
(c)	Deferred tax liabilities (net) (refer note 5)	14,422.35	12,589.83
(d)	Other non-current liabilities	8,738.15	9,728.97
	Total non-current liabilities	59,067.90	67,706.21
3.	Current liabilities		
(a)	Financial liabilities		
i.	Borrowings	18,605.21	17,978.06
ii.	Lease liabilities	2,184.63	2,187.06
iii.	Trade payables		
-	Total outstanding dues of micro enterprises and small enterprises	281.71	306.28
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	27,696.51	33,649.69
iv.	Other financial liabilities	2,781.70	3,990.78
(b)	Other current liabilities	19,851.87	18,793.79
(c)	Provisions	2,256.62	2,144.64
(d)	Current tax liabilities (net)	1,374.27	1,053.60
	Total current liabilities	75,032.52	80,103.90
	TOTAL EQUITY AND LIABILITIES (1+2+3)	263,923.79	273,592.10

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CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

Rs. Million

S.NO.	PARTICULARS	HALF YEAR ENDED	
		30.09.2023	30.09.2022
		(UNAUDITED)	
A	CASH FLOW FROM OPERATING ACTIVITIES		
(i)	Profit before tax	12,564.16	4,768.96
	Adjustments for		
	Depreciation and amortisation expense	7,222.29	6,922.72
	Profit on sale of property, plant and equipment (net)	(63.69)	(12.17)
	Profit on sale of investments	-	(23.41)
	Gain from current investments	(139.88)	-
	Provision for doubtful debts / advances	6.50	46.14
	Provisions / liabilities no longer required written back	(148.16)	(137.87)
	Finance cost	2,682.61	2,502.46
	Interest income	(177.22)	(25.49)
	Unwinding of deferred income	(377.15)	(1,104.06)
	Unwinding of state aid subsidy	(90.06)	(78.38)
	Share of (profit) / loss in associate / joint venture	(1.94)	(1.31)
	Unrealized loss on foreign exchange fluctuations	88.71	14.25
	Effect of foreign currency fluctuation arising out of consolidation	(199.92)	(70.01)
(ii)	Operating profit before working capital changes	21,366.25	12,801.83
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	1,866.97	(5,951.15)
	Trade receivables	518.98	(2,322.54)
	Other financial assets (current and non-current)	(370.12)	(547.86)
	Other assets (current and non-current)	(2,079.41)	(62.47)
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	(5,817.69)	(3,147.08)
	Other financial liabilities (current and non-current)	115.31	11.78
	Other liabilities (current and non-current)	725.68	1,131.36
	Provisions (current and non-current)	184.60	380.68
(iii)	Cash generated from operations	16,510.57	2,294.55
	Direct taxes paid (net of refund)	(1,771.31)	(915.48)
	Net cash generated from operating activities	14,739.26	1,379.07
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and intangible assets	(3,549.45)	(3,737.02)
	Proceeds from sale of property, plant and equipment and intangible assets	400.92	57.46
	Maturity of / (Investments in) mutual funds, net	2,620.28	4,229.47
	Non-current investment made, net	(16.06)	-
	(Investments in) / Maturity of fixed deposits, net	(510.00)	1,808.60
	Interest received	161.05	97.46
	Net cash (used in) / generated from investing activities	(893.26)	2,455.97
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from non-current borrowings	2.44	5,002.63
	Repayment of non-current borrowings	(5,629.62)	(5,518.29)
	(Repayment of) / proceeds from current borrowings (net) (excluding current maturities of non-current borrowings)	(1,930.66)	1,889.52
	Payment of dividend	(2,857.95)	(2,064.08)
	Payment of principal portion of lease liabilities	(1,047.06)	(1,041.45)
	Payment of interest on lease liabilities	(237.26)	(240.03)
	Finance charges paid	(3,297.97)	(2,914.93)
	Net cash used in financing activities	(14,998.08)	(4,886.63)
	Net decrease in cash and cash equivalents (A+B+C)	(1,152.08)	(1,051.59)
	Cash and cash equivalents as at the beginning of the year	8,360.11	8,706.36
	Less: Cash credits as at the beginning of the year	9.76	4.18
		8,350.35	8,702.18
	Loss / (Gain) on re-statement of foreign currency cash and cash equivalents	38.71	22.63
	Adjusted cash and cash equivalents as at the beginning of the year	8,389.06	8,724.81
	Cash and cash equivalents as at the end of the period	7,240.16	7,661.44
	Less: Cash credits as at the end of the period	6.69	-
		7,233.47	7,661.44
	Loss / (Gain) on re-statement of foreign currency cash and cash equivalents	3.51	-
	Adjusted cash and cash equivalents as at the end of the period	7,236.98	7,661.44

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Additional disclosures as per Clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S.NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(UNAUDITED) (refer note 5)					
(a)	Outstanding redeemable preference shares (Rs. Million)	-	-	-	-	-	-
(b)	Debenture redemption reserve (Rs. Million)	1,039.50	1,039.50	1,039.50	1,039.50	1,039.50	1,039.50
(c)	Capital redemption reserve (Rs. Million)	44.40	44.40	44.40	44.40	44.40	44.40
(d)	Securities premium (Rs. Million)	31,317.67	31,317.67	31,317.67	31,317.67	31,317.67	31,317.67
(e)	Net worth (Rs. Million) (share capital + other equity)	129,823.37	130,755.70	110,241.25	129,823.37	110,241.25	125,781.99
(f)	Net profit after tax (Rs. Million)	4,742.51	3,969.08	1,793.91	8,711.59	3,567.58	10,458.44
(g)	Basic earnings per share (Not annualised)	7.47	6.25	2.82	13.72	5.62	16.47
(h)	Diluted earnings per share (Not annualised)	7.47	6.25	2.82	13.72	5.62	16.47
(i)	Debt equity ratio (in times) [Debt comprises non-current borrowings and current borrowings / equity]	0.37	0.42	0.57	0.37	0.57	0.44
(j)	Long term debt to working capital (in times) [Non-current borrowings including current maturities / Net working capital excluding current maturities]	1.73	1.92	3.98	1.73	3.98	2.42
(k)	Total debts to total assets ratio (in %) [(Non-current borrowings + current borrowings) / Total assets]	18.07%	19.84%	23.97%	18.07%	23.97%	20.42%
(l)	Debt service coverage ratio (in times) # [(Profit after tax + interest expense excluding interest on lease liabilities + depreciation & amortisation expense excluding depreciation on right of use assets + exceptional items + loss/(gain) on sale of fixed assets + share of loss/(profit) in associate/joint venture) / (Gross interest excluding interest on lease liabilities + repayment of non-current borrowings excluding pre-payments)]	2.30	2.12	1.13	2.30	1.13	1.93
(m)	Interest service coverage ratio (in times) [(Profit after tax + interest expense excluding interest on lease liabilities + depreciation & amortisation expense excluding depreciation on right of use assets + exceptional items + loss/(gain) on sale of fixed assets + share of loss/(profit) in associate/joint venture) / Gross interest excluding interest on lease liabilities]	7.49	6.78	4.92	7.13	5.00	5.46
(n)	Current ratio (in times) (Current assets / Current liabilities)	1.14	1.13	1.05	1.14	1.05	1.11
(o)	Bad debts to account receivable ratio (in %) # [Bad debts / Average trade receivables]	0.05%	0.06%	0.12%	0.05%	0.12%	0.05%
(p)	Current liability ratio (in %) (Current liabilities / Total liabilities)	55.95%	55.40%	52.27%	55.95%	52.27%	54.19%
(q)	Debtors turnover (in times) # [Revenue from operations / Average trade receivables]	10.77	11.67	11.07	10.77	11.07	10.82
(r)	Inventory turnover (in times) # [Revenue from operations / Average inventory]	5.67	5.46	5.39	5.67	5.39	5.72
(s)	Operating margin (in %) [EBITDA* / Revenue from operations] * EBITDA = Profit before tax + depreciation & amortisation expense + interest expense + exceptional item + share of loss/(profit) in associate/joint venture - other income	18.47%	16.84%	11.95%	17.66%	11.78%	13.49%
(t)	Net profit margin (in %) [Profit after tax / Revenue from operations]	7.55%	6.36%	3.01%	6.96%	3.00%	4.26%

Based on TTM (Trailing Twelve Months)

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NOTES:

- 1 The listed non-convertible debentures (NCDs) issued by the Company aggregating to Rs. 20,650 Million as on September 30, 2023, are secured by a pari passu first charge by way of hypothecation on movable fixed assets of the Company, both present and future (except stocks and book debts). Except, out of these, Rs. 5,000 Million at 8.75% (which are for 10 year bullet payment) have also been given exclusive charge on the immovable property of the Company's Registered office at Kochi. The asset cover thereof exceeds 125% of the principal amount of the said NCDs.
- 2 These unaudited consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and in terms of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CIR/CFD/CDM1/44/2019 dated March 29, 2019 and other accounting principles generally accepted in India.
- 3 The Competition Commission of India ('CCI') on February 2, 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 Rs. 4,255.30 Million on the Company. The Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 1, 2022, has remanded the matter back to the CCI to hear the parties again and review its findings. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Company is also a Respondent in the said Appeal. Pending disposal of the matter and based on legal advice the Company believes that it has a strong case and accordingly no provision is considered in these consolidated financial results.

- 4 The Company and one of the subsidiary companies have carried out an employee re-organisation exercise for its employees. The full and final amount paid to the employees who opted for this scheme aggregated to Rs. 122.08 Million for the quarter ended September 30, 2023, Rs. 131.98 Million for the quarter ended June 30, 2023 and Rs. 254.06 Million for the half year ended September 30, 2023, has been disclosed as an exceptional item.

During the quarter ended March 31, 2023, one of the subsidiary companies had reassessed impairment loss recognized in the earlier period. Consequently, a part of the recognised loss amounting to Rs. 225.77 million had been written back and presented as an exceptional item for the year ended March 31, 2023.

- 5 The Ministry of corporate affairs vide its notification dated March 31, 2023 notified an amendment under Ind AS 12, Income Taxes in relation to the recognition of deferred tax related to assets and liabilities arising from a single transaction. This amendment, along with the transition provisions for the impact related to comparative and earlier periods, is effective from April 1, 2023.

Consequently, the Group has recognised the cumulative impact of deferred tax liability as at March 31, 2023 amounting to Rs. 2,995.84 million in quarter ended June 30, 2023. Out of this, amount of Rs. 2,407.92 million has been adjusted from opening balance of retained earnings as on April 1, 2022. Further, amounts of Rs. 150.61 million, Rs. 283.75 million and Rs. 587.92 million has been disclosed in the comparative periods presented (i.e. for the quarter ended September 30, 2022, half year ended September 30, 2022 and year ended March 31, 2023 respectively) as deferred tax expense in the consolidated statement of profit and loss in accordance with the applicable transition provisions. Further, the impact for the quarter ended September 30, 2023, June 30, 2023 and half year ended September 30, 2023 amounting to Rs. 13.72 million, Rs. 16.01 million and Rs. 29.73 million respectively have also been recognised and disclosed as deferred tax expense in these consolidated financial results.

Accordingly, profit after tax for the periods presented in the consolidated financial results are lower by respective amounts stated above for the quarter ended September 30, 2023, June 30, 2023, September 30, 2022, half year ended September 30, 2023, September 30, 2022 and year ended March 31, 2023. Similarly, the basic and diluted EPS for these respective periods are lower by Rs. 0.02, Rs. 0.03, Rs. 0.24, Rs. 0.05, Rs. 0.45 and Rs. 0.93 per share.

- 6 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- 7 The above results were reviewed by the Audit Committee on November 6, 2023 and approved by the Board of Directors at its meeting held on November 7, 2023. The stand-alone and consolidated results of the Company have undergone limited review by the Statutory Auditors. The results of the certain overseas subsidiaries of the Company have been subjected to limited review by their respective Statutory Auditors.

For and on behalf of the Board
of Directors of Apollo Tyres Ltd

Onkar Kanwar

Place: Gurugram
Date: November 7, 2023

ONKAR KANWAR
CHAIRMAN

