

Apollo Tyres Cooperatief U.A.

Enschede, the Netherlands

ANNUAL REPORT 2020/2021

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1. FINANCIAL STATEMENTS

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2021

(After result appropriation)

| ASSETS | 31 March 2021 | | 31 March 2020 | |
|-------------------------------------|---------------|-------------|---------------|-------------|
| | EUR | EUR | EUR | EUR |
| Fixed assets | | | | |
| <i>Financial fixed assets</i> | | | | |
| Participations in group companies | | [1] | | |
| | 793,669,531 | | 791,961,297 | |
| Participations in other companies | 887,390 | | 887,390 | |
| Deferred tax asset | 631,382 | | 133,405 | |
| | | 795,188,303 | | 792,982,092 |
| Current assets | | | | |
| <i>Receivables</i> | | | | |
| Receivables from group companies | | [2] | | |
| | 344,396 | | 1,467,730 | |
| Taxes and premiums social insurance | - | | 4,085 | |
| | 344,396 | | 1,471,815 | |
| <i>Cash and cash equivalents</i> | | | | |
| | | [3] | | |
| | | 3,276,208 | | 722,020 |
| | | 798,808,907 | | 795,175,927 |

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2021

(After result appropriation)

| | 31 March 2021 | | 31 March 2020 | |
|---|---------------|-------------|---------------|-------------|
| | EUR | EUR | EUR | EUR |
| MEMBERS' CAPITAL AND LIABILITIES | | | | |
| Members' capital [4] | | | | |
| Membership Capital I | 306,155,033 | | 306,155,033 | |
| Membership Capital II | 1,000 | | 1,000 | |
| Other reserves | 420,319,909 | | 416,813,838 | |
| | | 726,475,942 | | 722,969,871 |
| Long-term liabilities [5] | | | | |
| Borrowings | - | | 71,795,735 | |
| | | - | | 71,795,735 |
| Current liabilities [6] | | | | |
| Borrowings | 71,941,180 | | - | |
| Debts to Group companies | 258,548 | | 252,845 | |
| Accrued liabilities | 133,237 | | 157,476 | |
| | | 72,332,965 | | 410,321 |
| Total members' capital and liabilities | | 798,808,907 | | 795,175,927 |

Apollo Tyres Cooperatief U.A.

1.2 Profit and loss account for the year 1 April 2020 up to 31 March 2021

| | | 31 March 2021 | | 31 March 2020 | |
|--|------|------------------|------------------|-------------------|-------------------|
| | | EUR | EUR | EUR | EUR |
| Interest income | [7] | - | | 5,521 | |
| Dividends | | <u>5,000,000</u> | | <u>15,223,500</u> | |
| | | | 5,000,000 | | 15,229,021 |
| Interest expenses | [8] | | <u>651,027</u> | | <u>565,581</u> |
| Gross margin | | | 4,348,973 | | 14,663,440 |
| Other operating income | [9] | | - | | |
| Gross operating result | | | <u>4,348,973</u> | | <u>14,663,440</u> |
| Other operating costs | [10] | <u>1,329,422</u> | | <u>175,625</u> | |
| Total operating costs | | | 1,329,422 | | 175,625 |
| Operating result | | | <u>3,019,551</u> | | <u>14,487,816</u> |
| Other financial income | [11] | - | | 120,917 | |
| Other financial expenses | [12] | <u>11,457</u> | | | |
| Total financial income/(expenses) | | | (11,457) | | 120,917 |
| Result before taxation | | | <u>3,008,094</u> | | <u>14,608,733</u> |
| Taxation | [13] | | <u>(497,977)</u> | | <u>(145,770)</u> |
| Result after taxation | | | <u>3,506,071</u> | | <u>14,754,503</u> |

1.3 Notes to the financial statements

General

Apollo Tyres Cooperatief U.A. (the "Cooperative") is a cooperative with exclusion of liability, incorporated under Dutch law on 1 May 2009, having its corporate seat at Enschede, the Netherlands with offices at Ir. Schiffstraat 370, 7547 RD Enschede, the Netherlands.

Activities

The activities of Apollo Tyres Cooperatief U.A. primarily consists of holding activities.

Group structure

The Company is part of a group, headed by Apollo Tyres Limited. The Company is a cooperative with two members; Apollo Tyres Ltd. and Apollo Tyres (Greenfield) B.V..

Consolidation

Consolidated financial statements have not been prepared, as is permitted by Article 408, Book 2 of the Dutch Civil Code. Pursuant to the conditions of this Article, the Company will file with the Trade Register of the Chamber of Commerce in Amsterdam the consolidated Annual Report of its parent company, Apollo Tyres Limited.

Comparison previous year

The accounting principles remained unchanged compared to previous year.

Impairment of fixed assets

At each balance sheet date is judged whether there is any indication that an asset may be subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount for an individual asset, the recoverable amount of the transaction to which the asset belongs is determined. An impairment is recognized if the carrying amount of an asset is greater than its recoverable amount, the recoverable amount is the higher of net realizable value and value in use.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the treatment per balance sheet item for the principles of primary financial instruments.

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Off-balance sheet incorporated rights and obligations'.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of, investments, loan receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered.

1.3 Notes to the financial statements

Currency

The annual accounts have been prepared in Euros. Receivables, debts and obligations in foreign currencies are converted at the rate as of the balance sheet date. Foreign currency transactions during the reporting period are processed in the annual accounts at the settlement rate. Any rate differences are incorporated in the profit and loss account.

BALANCE SHEET VALUATION POLICIES

General

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in Euros (EUR). Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless mentioned otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Financial fixed assets

Participations in group companies

Participations in group companies are stated at acquisition cost or, in case of a permanent impairment of the value of the shares, at lower equity value as determined on the basis of the financial statements of the participation.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, is at the free disposal of the company. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

Long-term liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

Current liabilities concern debts with a term of less than one year. Upon initial recognition the current liabilities are recorded at the fair value and subsequently valued at the amortized cost.

1.3 Notes to the financial statements

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Gross margin

The gross margin represents the spread on interest and dividend income for to the year.

Operating costs

Costs are attributed to the financial year to which they relate. Profits are accounted for in the year in which goods have been provided or services have been performed. Losses are assumed in the year in which these are foreseeable.

Taxation

Taxation is based on the result in the annual accounts, taking into account tax losses from previous years and the permanent differences between the profit calculations according to the annual accounts on the one hand and according to profit calculation for tax purposes on the other hand. The calculation is made at the current tax rate. The difference in the tax due, based on the profit calculation for tax purposes, is reflected in the provision for deferred tax liabilities.

1.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets [1]

Participations in group and other companies

The participations are specified in Appendix 1.

CURRENT ASSETS

Receivables [2]

Receivables from group companies

Apollo Tyres(NL) B.V.(Formerly known as Apollo Vredestein B.V.)
 Apollo Tyres Global R&D B.V.
 Apollo Tyres (Europe) B.V. (Formerly known as Apollo Tyres B.V.)
 Apollo Tyres Do Brasil Ltda

| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
|--|------------------|------------------|
| | EUR | EUR |
| | 59,273 | 1,115,966 |
| | | 831 |
| | | 65,810 |
| | 285,123 | 285,123 |
| | <u>344,396</u> | <u>1,467,730</u> |

Taxes

Value added tax

| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
|--|------------------|------------------|
| | EUR | EUR |
| | - | 4,085 |
| | <u>-</u> | <u>4,085</u> |

Cash and cash equivalents [3]

Cooperatieve Rabobank U.A. EUR account
 Cooperatieve Rabobank U.A. USD account

Cooperatieve Rabobank U.A. GBP account

| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
|--|------------------|------------------|
| | EUR | EUR |
| | 3,250,974 | 696,594 |
| | 11,098 | 11,290 |
| | 14,136 | 14,136 |
| | <u>3,276,208</u> | <u>722,020</u> |

The balance of the cash and cash equivalents is available to the Company without any restrictions.

1.4 Notes to the balance sheet

MEMBERS' CAPITAL AND LIABILITIES

MEMBERS' CAPITAL [4]

| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
|--|--------------------|--------------------|
| | EUR | EUR |
| Membership Capital I: Apollo Tyres Limited | | |
| Value as of 1 April | 306,155,033 | 284,424,233 |
| Contributions | <u>-</u> | <u>21,730,800</u> |
| Value as of 31 March | <u>306,155,033</u> | <u>306,155,033</u> |
| | | |
| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
| | EUR | EUR |
| Membership Capital II: Apollo Tyres (Greenfield) B.V. | | |
| Value as of 31 March | <u>1,000</u> | <u>1,000</u> |
| | | |
| | <u>31 Mar 21</u> | <u>31 Mar 20</u> |
| | EUR | EUR |
| Other reserves | | |
| Value as of 1 April | 416,813,838 | 402,059,335 |
| Appropriation of result | <u>3,506,071</u> | <u>14,754,503</u> |
| Value as of 31 March | <u>420,319,909</u> | <u>416,813,838</u> |

Appropriation of result for the financial year 2020/2021

In accordance to Article 22 sub 1 of the Articles of Association the result of 2020/2021, being a profit of 3,506,071 EUR, is fully transferred and allocated to the other reserves. The other reserves are freely distributable by the general members' assembly. Any distribution of the other reserves will be done in accordance to the share held by each member in the membership capital.

Appropriation of result for the financial year 2019/2020

The annual accounts for 2019/2020 were adopted at the general meeting held on 30 September, 2020. The general meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

1.4 Notes to the balance sheet

LONG-TERM LIABILITIES [5]

| | 31 Mar 21 | 31 Mar 20 |
|--|-----------|------------|
| Borrowings | EUR | EUR |
| Secured | | |
| Term loan from banks (including interest accrued) - Loan A | - | 29,888,340 |
| Term loan from banks (including interest accrued) - Loan B | - | 41,907,395 |
| | - | 71,795,735 |

During the year ended 31 March 2019, the Company executed an agreement with a bank to raise funds up to € 30 million (Loan A). Entire amount was drawn till 31 March 2019. This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited. The loan has been repaid in August 2021.

The gross amount of loan outstanding as at 31 March 2021 amounts to € 30 million (previous year € 30 million).

During the year ended 31 March 2019, the Company executed an agreement with a bank to raise funds up to € 42 million (Loan B). Out of this, the Company had drawn € 11 million till 31 March 2019 and balance € 31 million was drawn in year ended on 31 March 2020. This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited. The loan is repayable in March 2022. The gross amount of loan outstanding as at 31 March 2021 amounts to € 42 million (previous year € 42 million).

The aforementioned loans carries interest rate based on Euribor plus margin which varies between 0 to 1% per annum. Further, the aforementioned loans have been classified under other current liability in the current year.

Apollo Tyres Cooperatief U.A.

CURRENT LIABILITIES [6]

| | 31 Mar 21 | 31 Mar 20 |
|--|------------|-----------|
| Borrowings | | |
| Secured | EUR | EUR |
| Term loan from banks (including interest accrued) - Loan A | 29,987,440 | - |
| Term loan from banks (including interest accrued) - Loan B | 41,953,740 | - |
| | 71,941,180 | - |
| | 31 Mar 21 | 31 Mar 20 |
| | EUR | EUR |
| Debts to group companies | | |
| Accrued interest on short term loans | 8,548 | 2,845 |
| Apollo Tyres (Greenfield) B.V. | 250,000 | 250,000 |
| | 258,548 | 252,845 |
| | 31 Mar 21 | 31 Mar 20 |
| | EUR | EUR |
| Accrued liabilities | | |
| Accrued expenses | 133,237 | 157,476 |

Off-balance sheet incorporated rights and obligations

Conditional rights

Fiscal unity for corporate income tax

The company forms part of the fiscal unity for corporate income tax with Apollo Tyres (NL) B.V. (Formerly known as Apollo Vredestein B.V.), Vredestein Consulting B.V., Finlo B.V., Apollo Tyres (Europe) B.V. (Formerly known as Apollo Tyres B.V.) and Apollo Tyres Global R&D B.V.. As a result, the company is jointly and severally liable for the corporate income tax of the fiscal unity as a whole.

1.5 Notes to the profit and loss account

| | 31 Mar 21 | 31 Mar 20 |
|---|-----------|------------|
| | EUR | EUR |
| Interest income [7] | | |
| Interest incomes | - | 5,521 |
| | - | 5,521 |
| Dividends | | |
| Apollo Tyres Holdings (Singapore) Pte. Ltd. | - | 14,223,500 |
| Apollo Tyres Global R&D B.V. | 5,000,000 | 1,000,000 |
| | 5,000,000 | 15,223,500 |
| Interest expenses [8] | | |
| Intercompany & other interest expenses | 651,027 | 565,581 |
| | 651,027 | 565,581 |
| Other operating income [9] | | |
| Liabilities written back | - | - |
| | - | - |
| Operating costs [10] | | |
| General costs | 1,329,422 | 175,625 |
| | 1,329,422 | 175,625 |
| General costs | | |
| Auditor's costs | 17,628 | 20,144 |
| Legal & professional cost | 1,179,752 | 44,186 |
| Rate & Taxes | 1,283 | 2,639 |
| Bank charges | 1,027 | 1,130 |
| Corporate guarantee fees | 129,732 | 107,526 |
| | 1,329,422 | 175,625 |
| Financial income and expenses | | |
| Other financial income [11] | | |
| Exchange gains | - | 120,917 |
| Other financial expenses [12] | | |
| Exchange losses | 11,457 | - |
| | 11,457 | (120,917) |

Apollo Tyres Cooperatief U.A.

1.5 Notes to the profit and loss account

| | <u>31 Mar 21</u> EUR | <u>31 Mar 20</u> EUR |
|----------------------|-------------------------|-------------------------|
| Taxation [13] | | |
| Corporate income tax | | (12,365) |
| Deferred tax | (497,977) | (133,405) |
| | <hr/> | <hr/> |
| | (497,977) | (145,770) |

Number of employees and employment costs

Neither during the year nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related social security contributions in the current or previous year.

Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustments of or disclosure in the annual accounts now presented.

Legal exemption

The Company has made use of the possibility of audit exemption under Article 396 (7), Book 2 of the Dutch Civil Code.

Enschede, the Netherlands

Apollo Tyres Cooperatief U.A.



V.K Mittal



B.M Rivallant



R.Dewan



Pallavi Shroff

Date : 30th August 2021

Apollo Tyres Cooperatief U.A.

Appendix 1: Participations

Participation in group companies [1]

Participation in group companies can be divided as follows:

| Name | Place of Business | Share in Capital | Equity in accordance with last annual accounts | Results in accordance with last annual accounts |
|---|-------------------|------------------|--|---|
| Apollo Tyres (Europe) B.V (Formerly known as Apollo Tyres B.V.) | Netherlands | 100.00 | 461,846,000 | (52,081,000) |
| Apollo Tyres Global R&D B.V. | Netherlands | 100.00 | 10,318,397 | 1,650,305 |
| Apollo Tyres (Thailand) Limited | Thailand | 100.00 | 3,360,963 | 616,598 |
| Apollo Tyres Do Brasil Ltda. | Brazil | 99.37 | (61,786) | (11,653) |
| Apollo Tyres AG | Switzerland | 100.00 | 3,882,199 | 340,069 |
| Apollo Tyres (Middle East) FZE | Dubai | 100.00 | 4,429,950 | 2,004,028 |
| Apollo Tyres Holdings (Singapore) Pte. Ltd. | Singapore | 100.00 | 25,827,908 | 5,880,748 |
| Apollo Tyres (UK) Holdings Ltd. (Formerly known as Apollo Tyres (UK) Pvt. Ltd.) | United Kingdom | 100.00 | 22,112,587 | 325,480 |
| Apollo Tyres (R&D) GmbH (Formerly known as Apollo Tyres (Germany) GmbH) | Germany | 100.00 | 893,540 | 203,872 |
| Reifencom GmbH | Germany | 100.00 | 3,201,004 | 780,676 |
| Apollo Tyres (South Africa) Holdings Pty Ltd | South Africa | 100.00 | 3,782,374 | 1,579 |
| Apollo Tires (US) Inc. (Formerly known as Apollo Vredestein Tires, Inc) | USA | 100.00 | (321,724) | (1,026,953) |
| Saturn F1 Pvt. Ltd. | United Kingdom | 100.00 | 2,005,577 | (215,762) |

| Participation in group companies | 31-03-2021 | 31-03-2020 |
|---|--------------------|--------------------|
| Apollo Tyres (Europe) B.V (Formerly known as Apollo Tyres B.V.) | 686,184,938 | 686,184,938 |
| Apollo Tyres Global R&D B.V. | 1,900,536 | 1,900,536 |
| Apollo Tyres (Thailand) Limited | 2,552,230 | 2,552,230 |
| Apollo Tyres Do Brasil Ltda. | 311,732 | 311,732 |
| Apollo Tyres AG | 5,885,659 | 5,885,659 |
| Apollo Tyres (Middle East) FZE | 3,060,815 | 3,060,815 |
| Apollo Tyres Holdings (Singapore) Pte. Ltd. | 9,714,276 | 9,714,276 |
| Apollo Tyres (UK) Holdings Ltd. (Formerly known as Apollo Tyres (UK) Pvt. Ltd.) | 20,522,289 | 20,522,289 |
| Apollo Tyres (R&D) GmbH (Formerly known as Apollo Tyres (Germany) GmbH) | 600,000 | 600,000 |
| Reifencom GmbH | 46,250,000 | 46,250,000 |
| Apollo Tyres (South Africa) Holdings Pty Ltd | 4,193,881 | 4,193,881 |
| Apollo Tires (US) Inc. (Formerly known as Apollo Vredestein Tires, Inc) | 10,140,063 | 8,431,829 |
| Saturn F1 Pvt. Ltd. | 2,353,112 | 2,353,112 |
| Total | 793,669,531 | 791,961,297 |
| Participation in other companies | | |
| Click Diagnostics Inc | 887,390 | 887,390 |
| Total | 887,390 | 887,390 |