

Apollo Tyres Cooperatief U.A.

Enschede, the Netherlands

ANNUAL REPORT 2022/2023

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1. COMPANY FINANCIAL STATEMENTS

1.1 Balance Sheet as at 31 March 2023

(Euro)	Notes	As at 31-Mar-23	As at 31-Mar-22
Assets			
Non-current assets			
Intangible assets	1	30,382	-
Financial assets:			
i) Participations in group companies	2	571,194,692	528,606,158
ii) Participations in other companies	3	887,390	887,390
iii) Other Investments	4	1,612,798	1,270,215
Total non-current assets		573,725,262	530,763,763
Current assets			
Financial assets			
i) Cash and cash equivalents	5	3,670,363	5,070,437
ii) Loans	6	6,017,051	285,123
iii) Other financial assets	7	936,578	1,086,066
Total current assets		10,623,992	6,441,626
Total assets		584,349,254	537,205,389
 MEMBERS' CAPITAL AND LIABILITIES			
Membership Capital			
	8		
Membership Capital I		306,155,033	306,155,033
Membership Capital II		1,000	1,000
Other Reserves		258,623,650	210,580,104
Total members capital and reserves		564,779,683	516,736,137
Current Liabilities			
Financial liabilities			
i) Borrowings	9	14,962,500	19,980,663
ii) Debts to group companies	10	4,599,835	264,251
iii) Other financial liabilities	11	7,237	224,338
Total current liabilities		19,569,571	20,469,252
Total members capital and liabilities		584,349,254	537,205,389

1.2 Statement of Profit and loss for the year ended 31 March 2023

(Euro)	Notes	Period ended 31-Mar-23	Period ended 31-Mar-22
Other Income	12	51,461	0
Total Income		51,461	0
Expenses			
Finance Cost	13	280,988	377,374
Other Expenses	14	99,041	128,938
Total Expenses		380,029	506,312
Profit/(Loss) before tax		-328,568	-506,312
Income Tax Expense		122,181	-391,906
Profit/(Loss) after tax		-450,750	-114,406
Profit from Subsidiaries		49,806,100	38,904,538
Net Profit		49,355,351	38,790,132

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 the previous year except valuation method of Participations in Group Companies. The participations in group companies are valued at Net Asset Value as at 31st March 2023, till last year 31st March 2022 those were valued at Acquisition Cost method. Refer to Note 2 Participations in group companies.

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.

Apollo Tyres Cooperatief U.A.

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 assets

Participations in group companies

Participations in group companies are stated at Net asset value but not lower than nil. Subsidiaries with negative equity values are valued at nil. Till last year 31st Mar 2022 the participations in group companies were valued at Acquisition Cost method. Please refer Note 2.

Proportion of ownership, interest and voting power held by the company, directly or indirectly are:

	As at 31-Mar-23	As at 31-Mar-22
Apollo Tyres (Europe) B.V.	100%	100%
Apollo Tyres Global R&D B.V.	100%	100%
Apollo Tyres (Thailand) Ltd.	100%	100%
Apollo Tyres Do (Brasil) Ltda.	99.37%	99.37%
Apollo Tyres AG (Switzerland)	100%	100%
Apollo Tyres (Middle East) Fze	100%	100%
Apollo Tyres Holdings (Singapore) Pte Ltd.	100%	100%
Apollo Tyres (UK) Holdings Ltd.	100%	100%
Apollo Tyres (R&D) GmbH	100%	100%
Reifencom GmbH, Bielefeld	100%	100%
Apollo (South Africa) Holdings (Pty) Ltd.	100%	100%
Apollo Tires (US) Inc	100%	100%
Saturn F1 Pvt Ltd.	100%	100%

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 recognized 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 recognized at the amortized 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.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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

Taxation

Income Tax includes current and deferred tax. 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.

PRINCIPLES FOR THE PREPARATION OF THE CASH FLOW STATEMENT

The Company takes advantage of section 360.104 of the Richtlijnen voor Jaarverslaggeving and does not prepare a cashflow statement as the consolidated financial statements of Apollo Tyres Ltd. are publicly available on the internet.

1.4 Notes to the balance sheet

1.) Intangible Assets

Description of assets	Gross Block			Accumulated Amortisation				Net Block		
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	Amortisation expense	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Trademarks	-	30,382	-	30,382	-	-	-	-	30,382	-
Total	-	30,382	-	30,382	-	-	-	-	30,382	-

2.) Participation in group companies

	Period ended 31/03/2023	Period ended 31 March 2022*
Net Position at beginning of year	528,606,158	793,669,531
Adjustment for Opening Balance	-	-249,842,432
<i>Net Adjusted Position at beginning of year</i>	<i>528,606,158</i>	<i>543,827,099</i>
Subsidiary Result Participations **	49,806,100	38,904,538
Dividends	-5,905,761	-55,437,974
Foreign exchange translation differences	-1,311,805	1,312,495
Position at end of year	571,194,692	528,606,158

* Till last year accounts the Participation in group companies were valued as Acquisition Cost method.

In this year 22-23 the company has changed the method of valuing the Participations in Group companies to Net Asset Value method. As per Net Asset Value method the Participation in Group companies as at 31st March 2023 will be stated at Net Assets value (or Equity value) of group companies.

Due to that comparatives as on 31st Mar 2022 have been adjusted to reflect the position as per Net Asset Value method. The opening values as per cost method as on 31st March 2021 was € 793,669,531 and values as per Net Asset value (Equity and Reserves) method is € 543,827,099. The values as per Net Asset method are lower by 249,842,432. The corresponding impact is taken by reducing Other Reserves.

The value of € 571,194,692 as at 31st March 2023 reflect the Net Asset Value of group companies.

** Subsidiaries Result Participation is shown gross of Negative participation.

Apollo Tyres Cooperatief U.A.

The participations in group companies as per Net Asset Value as at 31st March 2023 are € 571,194,692 and it is specified below at company level :

Name of Group companies	Place of Business	Share in Capital	Net Asset Value(Equity) in accordance with accounts as at 31 st March 2023 (In EURO)	Net Asset Value(Equity) in accordance with accounts as at 31 st March 2022 (In EURO)
Apollo Tyres (Europe) B.V. (Formerly known as Apollo Tyres B.V)	Netherlands	100	486,272,801	449,513,000
Apollo Tyres Global R&D B.V.	Netherlands	100	5,794,755	3,246,543
Apollo Tyres (Thailand) Ltd.	Thailand	100	1,071,480	3,025,312
Apollo Tyres Do (Brasil) Ltda.	Brazil	99.37	0	0
Apollo Tyres AG (Switzerland)	Switzerland	100	6,544,668	5,570,220
Apollo Tyres (Middle East) Fze	Dubai	100	264,203	3,065,923
Apollo Tyres Holdings (Singapore) Pte Ltd.	Singapore	100	34,209,089	29,685,261
Apollo Tyres (UK) Holdings Ltd. (Formerly known as Apollo Tyres (UK) Pvt. Ltd)	United Kingdom	100	21,583,596	21,789,339
Apollo Tyres (R&D) Gmbh (Formerly known as Apollo Tyres (Germany) Gmbh)	Germany	100	2,328,295	2,088,849
Reifencom Gmbh, Hannover	Germany	100	4,670,310	4,472,655
Apollo (South Africa) Holdings (Pty) Ltd.	South Africa	100	3,403,723	4,055,839
Apollo Tires (US) Inc (Formerly known as Apollo Vredestein Tires Inc.)	USA	100	2,960,059	0
Saturn F1 Pvt Ltd.	United Kingdom	100	2,091,715	2,093,218
Total			571,194,692	528,606,158

The participations in group companies at Cost are specified below :-

Participation in group companies (at cost)	31/03/2023 (In EURO)	31/03/2022 (In EURO)
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) Ltd.	2,552,230	2,552,230
Apollo Tyres Do (Brasil) Ltda.	311,732	311,732
Apollo Tyres AG (Switzerland)	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, Hannover	46,250,000	46,250,000
Apollo (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	10,140,063
Saturn F1 Pvt Ltd.	2,353,112	2,353,112
Total	793,669,531	793,669,531

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3.) Participation in Other companies

	As at 31 March 2023	As at 31 March 2022
Visby Medical, Inc. (formerly known as Click Diagnostics Inc.) (49,358 (49,358) Series C preferred stock having face value of \$ 0.0001 each)	887,390	887,390
	887,390	887,390

4.) Other investments

	As at 31 March 2023	As at 31 March 2022
MHA Capital LLC	1,270,215	1,270,215
Output Industries Limited	342,583	-
	<u>1,612,798</u>	<u>1,270,215</u>

5.) Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balance with banks in current account	3,670,363	5,070,437
	<u>3,670,363</u>	<u>5,070,437</u>

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

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6.) Loans

Loans	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to related party - Apollo Tyres (Europe) B.V. (including interest accrued) (refer note i below)	6,017,051	-
Loans to related party - Apollo Tyres Do (Brasil) LTDA (including interest accrued) (refer note ii below)	-	285,123
	<u>6,017,051</u>	<u>285,123</u>

Notes:

i.) The Company executed loan agreement dated 3 March 2023 and granted loan of € 6,000,000 to its related party, namely, Apollo Tyres (Europe) B.V. The loan is unsecured and is repayable (on demand) within one year from the date of disbursement. The loan carries interest at the rate of Euribor plus 150 basis point per annum.

ii.) The Company has executed two separate loan agreements dated 3 September 2013 and 20 January 2014 and granted loan of € 200,000 and € 100,000 respectively to its related party, namely, Apollo Tyres Do (Brasil) LTDA. Both the loans are unsecured and are repayable on demand. The former loan carries interest at the rate of Euribor plus 300 basis point per annum. The later loan carries interest at the rate of Euribor plus 350 basis points per annum and is due and payable on demand. During the current year, the outstanding balance of the loans (including interest accrued thereon) has been transferred to Apollo Tyres (Europe) B.V. and subsequently received. (Till last year financial statements this amount €285,123 was shown under head Receivables from group companies, for better presentation this has been reclassified under Loans)

7.) Other financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Receivable from related parties (refer note i below)	936,578	1,086,066
	<u>936,578</u>	<u>1,086,066</u>

i.) In Financial statements of last year FY21-22, the receivables were presented as € 613,229. Receivable from Apollo Tyres Do (Brasil) LTDA € 285,123 is reclassified to Loans as per explanation given in Note 6. Company has a net tax asset position in previous year € 757,960 which is reclassified from deferred tax asset to other financial assets to correspond with the current year's classification.

Apollo Tyres Cooperatief U.A.

8.) Membership Capital

	Members Capital	Other Reserves	Profit for the period	Total
Total as at 31 March 2021	306,156,033	416,813,838	3,506,071	726,475,942
<i>Opening Balance Adjustment *</i>	-	-244,842,432	-5,000,000	-249,842,432
Adjusted Opening Balance	306,156,033	171,971,407	-1,493,929	476,633,510
Profit/(Loss) for the period	-	-	-114,406	-114,406
Subsidiaries Result Participations	-	-	38,904,538	38,904,538
Translation of foreign operations			1,312,495	1,312,495
Appropriation of result	-	-1,493,929	1,493,929	0
Total as at 31 March 2022	306,156,033	170,477,478	40,102,626	516,736,137
Profit/(Loss) for the period	-	-	-450,750	-450,750
Subsidiaries Result Participations	-	-	49,806,100	49,806,100
Translation of foreign operations			-1,311,805	-1,311,805
Appropriation of result	-	40,102,626	-40,102,626	0
Total as at 31 March 2023	306,156,033	210,580,104	48,043,545	564,779,682

* The Other Reserve balance as per 31 March 2021 has been adjusted to reflect the changes in Participation in Group companies as per explanation given in Note 2.

9.) Borrowings

	As at 31 March 2023	As at 31 March 2022
Secured		
Term loan from banks*	14,962,500	19,980,663
	<u>14,962,500</u>	<u>19,980,663</u>

* During the year ended 31 March 2019, the Company executed an agreement with a bank to raise funds upto € 42,000,000 . This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited. During the previous year, the Company had repaid € 22,000,000 and the balance € 20,000,000 was refinanced for another one year which carried interest rate of 0 to 1% per annum above Euribor. During the current year, the Company has further repaid € 5,000,000 and the balance € 15,000,000 was refinanced for another one year which carried interest rate of 0 to 1% per annum above Euribor. The gross amount of loan outstanding as at 31 March 2023 amounts to € 15,000,000 (previous year: € 20,000,000).

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10.) Debts to group companies

Unsecured Loan from related party (including interest accrued)	As at 31 March 2023	As at 31 March 2022
Apollo Tyres (Greenfield) B.V.	250,000	250,000
Apollo Tyres AG	2,812,140	-
Apollo Tyres (R&D) GmbH	1,500,000	-
Interest accrued on borrowings	37,695	14,251
	<u>4,599,835</u>	<u>264,251</u>

- The Company executed loan agreement dated 07 June 2017 with its related party, namely, Apollo Tyres Greenfield B.V. to obtain funds upto \$ 10,000,000. The Company obtained \$ 6,650,000 under the aforesaid agreement. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement which has been further extended. The loan carries interest rate of Euribor plus a margin of 225 basis points. The loan outstanding as at 31 March 2023 amounts to € 250,000 (previous year: € 250,000).
- The Company executed loan agreement dated 23 March 2023 with its related party, namely, Apollo Tyres AG to obtain funds upto \$ 5,000,000. The Company obtained \$ 3,000,000 under the aforesaid agreement and. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement. The loan carries interest rate of Euribor plus a margin of 150 basis points.
- The Company executed loan agreement dated 3 March 2023 with its related party, namely, Apollo Tyres (R&D) GmbH to obtain funds upto € 5,000,000. The Company obtained € 1,500,000 under the aforesaid agreement. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement. The loan carries interest rate of Euribor plus a margin of 150 basis points.

11.) Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Payable to related parties	-	209,841
Expenses payable	7,237	14,497
	<u>7,237</u>	<u>224,338</u>

1.5 Notes to the profit and loss account

The presentation of the Statement of Profit and Loss account is changed this year for better presentation purposes and change in valuation method of Participation in group companies.

12.) Other Income

	Period ended 31 March 2023	Period ended 31 March 2022*
Interest income on bank deposits	34,410	-
Interest income on loans to subsidiaries	17,051	-
	<u>51,461</u>	<u>0</u>

* Dividend income of € 5,000,000 for FY21-22 as per last year's accounts is not considered as income in comparatives. This is due to change in valuation method of Participation of group companies as explained in Note 2. The results of group companies are reflected in Participations in Group companies and the dividends not required to be considered as Income in Profit and Loss Account.

13.) Finance Cost

	Period ended 31 March 2023	Period ended 31 March 2022
Interest on loans	280,988	377,374
	<u>280,988</u>	<u>377,374</u>

14.) Other Expenses

	Period ended 31 March 2023	Period ended 31 March 2022
Legal and professional cost	16,655	34,735
Bank charges	1,911	1,367
Other borrowing cost	35,901	92,836
Loss on foreign exchange fluctuations, net	44,574	-
	<u>99,041</u>	<u>128,938</u>

Apollo Tyres Cooperatief U.A.

15.) Income Tax Expense

	Period ended 31 March 2023	Period ended 31 March 2022
Income Tax Expense *	122,181	-391,906
	122,181	-391,906

* The Company is a part of Fiscal Unity Group for Dutch Corporate Income tax (CIT) purposes, where Apollo Tyres (NL) B.V., a Company under the group makes the consolidated Corporate Income Tax (CIT) payment to the Dutch Tax Authorities. Each member of the fiscal unity group is severally liable for their share of the Corporate Income Tax Liability/Asset.

The Company has a net tax asset position which is shown as receivable from related parties under other financial assets (previous year balance of € 757,960 have been reclassified from deferred tax asset to other Receivables from Group companies to correspond with the current year's classification).

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

Dated: 18 December, 2023

Apollo Tyres Cooperatief U.A.

15.) Income Tax Expense

	Period ended 31 March 2023	Period ended 31 March 2022
Income Tax Expense *	122,181	-391,906
	<u>122,181</u>	<u>-391,906</u>

* The Company is a part of Fiscal Unity Group for Dutch Corporate Income tax (CIT) purposes, where Apollo Tyres (NL) B.V., a Company under the group makes the consolidated Corporate Income Tax (CIT) payment to the Dutch Tax Authorities. Each member of the fiscal unity group is severally liable for their share of the Corporate Income Tax Liability/Asset.

The Company has a net tax asset position which is shown as receivable from related parties under other financial assets (previous year balance of € 757,960 have been reclassified from deferred tax asset to other Receivables from Group companies to correspond with the current year's classification).

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B.M Rivallant

R.Dewan



Pallavi Shroff

Dated: 18 December, 2023