

Independent auditor's report

To: the shareholder of Apollo Tyres (Europe) B.V.

Report on the audit of the financial statements for the year ended 31 March 2024 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 March 2024 of Apollo Tyres (Europe) B.V. based in Amsterdam.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- ▶ The accompanying consolidated financial statements give a true and fair view of the financial position of Apollo Tyres (Europe) B.V. as at 31 March 2024 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- ▶ The accompanying company financial statements give a true and fair view of the financial position of Apollo Tyres (Europe) B.V. as at 31 March 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- ▶ The consolidated statement of financial position as at 31 March 2024
- ▶ The following statements for the year then ended: the statement of income, the consolidated statements of comprehensive income, changes in equity and cash flows
- ▶ The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- ▶ The company balance sheet as at 31 March 2024
- ▶ The company statement of income for the year then ended
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Apollo Tyres (Europe) B.V. (the entity) in accordance with the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section Risk Management of the management report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 2.4 to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We considered among other things the cut-off of revenue transactions responsive to this presumed risk. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. Specifically for the risk related to sales discounts and related accruals, we performed procedures that accruals were recognized appropriately and in conformity with sales agreements and transactions occurred.

We considered available information and made enquiries of relevant executives, directors, human resources and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Material Accounting Policies in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the entity's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the entity'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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 an entity to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and Performing audit procedures responsive to those risks, and obtaining 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
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

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

The Hague, 4 July 2024

EY Accountants B.V.

signed by J.H.M. van den Nouland

**Apollo Tyres (Europe) B.V.
Annual Accounts 2023-24**

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Report by the Management Board

The board of directors of Apollo Tyres (Europe) B.V. put on record the company's annual accounts for the year ended March 31, 2024.

The company

Apollo Tyres (Europe) B.V. is a 100% subsidiary of Apollo Cooperatief U.A and ultimately held by Apollo Tyres Ltd, India, a listed multinational organisation and a global tyre manufacturer. The company has two direct subsidiaries, Apollo Tyres (NL) B.V. & Apollo Tyres Hungary Kft. The company, and its direct & indirect subsidiaries have been referred to as the group in the sections below.

The group focuses on developing, manufacturing, marketing, sales and distribution of tyres across various categories including passenger car, Truck & Bus, agriculture, industrial vehicles and bicycles. The company sells passenger vehicle tyres under two brands, Vredestein and Apollo. European headquarters is based at Amsterdam, Netherlands and production facilities are based in Enschede, Netherlands and in Gyöngyöshalász, Hungary. Sales operations are managed by various subsidiary companies across Europe. The group's distribution network covers Europe, its products are also exported to various other countries. The company is well known for its distinctive designs created in collaboration with the Italian industrial design bureau, Giugiaro Design Company.

Financial information

Euro

(in EUR Mn)	Period Ended 31 March 2024	Period Ended 31 March 2023
Net Sales	662.8	684.4
Other Operating Income	8.3	3.8
Profit before Depreciation, Interest & Taxes*	113.7	111.7
Profit before Interest & Taxes	66.1	63.7
Net Financing expenses	(7.2)	(4.6)
Profit before tax	58.9	59.2
Taxes	(11.7)	(12.2)
Net Profit/ (loss) for the year	47.2	47.0

*Calculated by adding Interest and depreciation to Profit before tax.

Economy & Market Overview

The European economy faced significant challenges in Calendar Year 2023 (CY23). According to the European Commission's Winter Interim Forecast, the growth for both the EU and the euro area was estimated at 0.5%, down from the 0.6% forecasted in the Autumn Forecast. Despite narrowly avoiding a technical recession in the latter half of the previous year, economic growth remained subdued throughout 2023.

The modest growth observed in CY23 can largely be attributed to the momentum generated by the post-pandemic economic recovery witnessed in the preceding years. However, this positive momentum began to falter towards the end of 2022, culminating in an abrupt halt to economic expansion. Throughout 2023, economic activity remained largely stagnant, amidst challenges such as diminishing household purchasing power, dwindling external demand, rigorous monetary policies, and the gradual withdrawal of fiscal support measures. Though the latter half of 2023 saw a sharp fall in energy prices, and this led to a broad-based and faster-than-expected moderation of price pressures. In recent months, the region experienced inflation outcomes that were lower than anticipated, driven by a combination of factors including reduced energy commodity prices and a decline in economic momentum. These developments have propelled inflation on a more pronounced downward trajectory than initially forecasted.

Industry Structure & Development

Automobile Industry

It was a good calendar year for European automobile industry. In CY23, the EU car market experienced significant expansion, growing by 13.9% compared to the previous year, resulting in a total volume of 10.5 million units. Remarkably, all EU markets demonstrated growth except for Hungary, which experienced a slight decline of 3.4%. The year saw double-digit gains in several markets, with notable increases in Italy (+18.9%), Spain (+16.7%), and France (+16.1%). Germany's performance was more modest, with a 7.3% year-on-year increase influenced by a weaker December performance.

Similarly, the commercial vehicle sector in the EU saw growth trends. New van sales surged by 14.6% to nearly 1.5 million units, driven by strong performances in key EU markets such as Italy, Spain, Germany, and France. New truck registrations also experienced substantial growth, increasing by 16.3% to 346,986 units. Germany led the pack with significant sales and double-digit growth, followed by Spain, Italy, and France. Additionally, new bus registrations grew by an impressive 19.4%, totalling 32,593 units, with Italy and Spain leading the way in growth rates. Germany and France, the largest bus markets, also contributed to this positive trend with solid growth rates.

Tyre Industry

As the automotive sector experienced robust growth throughout the calendar year, the OEM segment of the tyre industry also saw good traction during the Fiscal year. However, the replacement segment, did not fare as well. According to data from the European Tyre and Rubber Manufacturers' Association (ETRMA) for CY2023, every product category witnessed a negative trend compared to 2022. The replacement agricultural tyres segment was hit hardest, declining by 30%, followed by truck and bus tyres (-17%), moto (-11%), and consumer tyres (-8%).

The tyre replacement segment has been grappling with sluggish sales since June 2022, attributed to high inventory levels and two consecutive mild winters. This slowdown notably impacted passenger car tyres and Truck and Bus tyres (TBR) segments. Furthermore, the TBR and Off Highway Tyres (OHT) segments faced setbacks due to the economic downturn in Europe. Despite experiencing years of growth during and after the pandemic, the market began to decline significantly, influenced by economic pressures on European agricultural activity, such as low selling prices to distribution and higher operating costs.

Despite these challenges, certain key trends persist in the tyre market. The All Season tyre market continued to expand at double-digit rates, driven by new regulations like the 'Mountain law' in France. Additionally, the Ultra High Performance (UHP) and Ultra Ultra High Performance (UUHP) market for sizes 17/18 inches and 19 inches and above continue to witness significant growth overall.

Company Performance

Due to the headwinds and significant decline in the market, the company's overall Revenue decreased by 3.16%. The company continues to be dominantly a replacement market player. During the year, the company has continued to ramp-up production of tyres at its manufacturing plant in Gyöngyshalász, Hungary.

Segment wise Performance

Over the past year, Apollo Tyres has seen growth and achievements, driven by strategic expansion of its product portfolio helping it to make forays into promising new markets, even as it increased market share in its current markets. The fiscal year was no different as it continued to enhance its product portfolio in the passenger car tyres segments All Season, Winter & Light Truck with the introduction of Quatrac, Wintrac & Comtrac 2 respectively.

Celebrating 30 years at the forefront of the All Season Segment, Apollo Tyres revamped a key product and broadened its size range in the Ultra High Performance (UHP) and Ultra Ultra High Performance (UUHP) strategic segments. The launch of the All Season UUHP & UHP tyre, Quatrac Pro+, in July 2023, tailored for Sportscars, marked a significant milestone. Boasting superior wet road handling, enhanced snow performance, improved rolling resistance, and an extensive range of 103 dimensions, this tyre reinforces Apollo Tyres' leadership in the burgeoning All Season segment. Additionally, the introduction of the Quatrac Pro EV, the premier All Season tyre range designed for Electric Vehicles, available in 19 sizes, further underscores the Company's commitment to innovation.

The Fiscal year also saw it unveiling the new UUHP & UHP Summer range with the Ultrac Pro, a flagship product for the Vredestein brand. Offering a distinctive blend of advanced handling capabilities and unparalleled driving comfort, the Ultrac has been selected as original equipment (OE) by the BMW Group for its X2 and 5 Series models, underscoring the tyre's exceptional quality and performance. Furthermore, Apollo Tyres celebrated its 25-year collaboration with Italdesign, commemorating the debut of the Vredestein Sportrac in 1999.

In the OHT segment, the newly developed Vredestein VF Flotation Optimall received top ratings from the independent German test institute DLG, setting new benchmarks in trailer tyres with its outstanding soil pressure performance.

In the TBR segment, Apollo Tyres expanded its range of popular EnduRace RT2 truck trailer tyres, offering superior all-weather performance, rolling resistance, mileage, and durability. The EnduRace RT2's advanced tread pattern ensures uniform wear, reduced rolling resistance, noise, and whole-life costs. Moreover, the tyre provides outstanding grip in wet and winter conditions, certified for snow grip with the 'three-peak mountain snowflake' mark.

Brand promotion initiatives

Brand remains a cornerstone for the company, and its commitment to its two brands, Vredestein and Apollo Tyres, remained steadfast.

To bolster the visibility and recognition of Vredestein across Europe and beyond, Apollo Tyres invested in communication and sponsorship initiatives. A recent highlight includes securing a new agreement, naming Vredestein as the Official Main Sponsor of the FIS Alpine World Ski Championships 2025 in Saalbach, Austria. This builds on our successful partnership from the 2023 event in Courchevel and Méribel, France, aimed at elevating brand awareness and highlighting Vredestein's acclaimed winter and all-season tyres.

The FIS Alpine World Ski Championships, a biennial event renowned globally for alpine ski racing, attracts top athletes from over 75 nations. Vredestein's brand visibility will be prominent during selected events, with branding on athletes' bibs and banners lining competition courses. With a combined viewership of over nearly 500 million tuning in globally, the sponsorship aims to significantly enhance the brand recognition of Vredestein. Moreover, its presence extends through partnerships with the Alpine Ski World Cup, reaching audiences across various European countries, including Germany, France, Italy, and the UK.

Continuing its commitment to brand promotion, Apollo Tyres maintains sponsorships with Mille Miglia and Manchester United, alongside new initiatives to expand Vredestein's communication footprint in Southwest Europe. It initiated TV campaigns in France in Autumn and was the official naming partner of 'Vredestein 20km de Paris', a prominent race in Europe. Local sponsorships with the German Golf Association and DVTK sports club in Gyongyos are also ongoing.

The Company's engagement extends to local sponsorships, classic car rallies in Germany and Austria including Ennstal Classic and Int. Vredestein Pannonia-Carnuntum Historic Oldtimer.

The year also saw the Company sign a new two-year lead sponsorship deal with SL Trucksport 30 for its Apollo Tyres brand. The new team, named SL Apollo Tyres Trucksport, competed in the 2023 season with a brand-new MAN TGS 2022 truck, featuring Apollo Tyres branding and purple colouring. Sascha Lenz, driving for SL Apollo Tyres Trucksport, secured third place in the 2023 Goodyear FIA ETRC and was honoured with the prestigious Driver's Driver Award for his outstanding performance throughout the season.

The year was marked by significant events, including Product Experience and Customer Intimacy events leveraging Mille Miglia sponsorship, and the introduction of Vredestein Ultrac Pro in Sevilla, featuring its brand ambassador Giancarlo Fisichella, a former Formula One driver and Official Test Driver for Ferrari. The Company's product launches were amplified through iconic 3D screen in Piccadilly, London and across Europe, ensuring maximum visibility and impact for our latest innovations.

OE Journey

In its continuing strategy of engaging with the OEM, the current financial year saw wins in this journey. The Company was selected as the original equipment supplier for several prestigious automotive models. This included the all-new BMW Serie 2 Active Tourer, the all-new BMW X1 sports utility vehicle and the new Caddy from Volkswagen Commercial Vehicles. Additionally, Audi has opted for its latest Vredestein Ultrac and Sportrac summer tyres as original equipment for the Audi A1 Sportback.

In the OHT segment, its Vredestein VF Traxion Optimall was chosen as original equipment by leading agricultural manufacturer AGCO for its new range of Fendt tractors.

Furthermore, this financial year marked a significant milestone for Apollo Tyres in the TBR segment as it entered into its first OE agreement in this sector with IVECO, a prominent commercial vehicle manufacturer in Europe. Under this promising partnership, it is supplying its impressive range of EnduTrax tyres for the way truck ranges, aligning with its medium-term strategy in Europe.

New product introductions

The current financial year saw the Company launching multiple products across segments. It introduced the second generation of its EnduRace RA 2 truck tyre, featuring a revamped tread design and upgraded materials to enhance all-season grip, handling, and durability while reducing rolling resistance. It expanded its range of EnduRace RT2 truck trailer tyres, catering to a broader range of transport needs.

It added six new sizes to its premium Vredestein Traxion Optimall VF range extending compatibility to tractors with 160 hp and above. These additions maintain the renowned benefits of the Traxion Optimall series, including self-cleaning properties, superior grip, comfort, and extended tyre life.

The year saw the launch of the eagerly awaited EnduMile LHT, the Company's inaugural Long-Haul Trailer tyre. Also, it also saw expanding its Vredestein bicycle tyre range as it introduced two new gravel-oriented products: the Grezzo and the Seta. The Company closed the year with the announcement of the launch of Vredestein Ultrac Pro ultra-ultra-high-performance (UUHP) summer tyre, featuring an innovative lightweight design for optimal performance, comfort, and environmental sustainability.

Major awards/ recognitions

Apollo Tyres has consistently earned recognition as making best in class product. It has been ranked as one of the top manufacturers in Europe by leading magazine Autobild. The Ultrac Pro clinched 2nd position in the Auto Bild Sportscars 2024 ranking for sizes 265/35 R 19 and 295/30 R 20 even as the Ultrac secured 2nd position in the ACE summertest and in the Auto Motor und Sport 2024 ranking (235/55R18 – UUHP).

Further, its Quatrac achieved 2nd position in the Auto Express 2023 ranking, while the Wintrac Pro secured 3rd position in the Tyre Reviews 2023 ranking.

Research & Development

The company has been actively pursuing advancements in tyre technology to meet the evolving needs of the automotive industry. Among these initiatives is the development of Ultra Low Rolling Resistance (ULRR) and Silent Tyres tailored specifically for Electric Vehicles (EVs), aligning with the growing demand for eco-friendly mobility solutions.

Incorporating cutting-edge technologies, such as Tyre Simulations and Virtual Prototyping, has enabled the company to optimize tyre performance and durability while minimizing development time and costs. Additionally, the integration of Artificial Intelligence in compounding processes marks a significant step forward in enhancing product quality and consistency.

Furthermore, the company remains at the forefront of innovation with the introduction of next-generation materials, including innovative SSBRs (Solution Styrene Butadiene Rubbers), silica, and resins, aimed at improving tyre performance across various driving conditions. Embracing sustainability, the Company also focuses on incorporating eco-friendly materials like regenerated carbon black and silica, as well as polymers, in its tyre manufacturing processes, aligning with ISO 20400 standards for sustainable procurement practices.

Environmental Issues

There are no environmental issues outstanding.

Risk Management

The group's activities expose it to a variety of risks including climate risk market risk, price risk, interest risk, credit risk, currency risk, raw material risk, environmental & regulatory risk, product liability, and liquidity risk etc. The company's overall risk management seeks to minimise potential adverse effects on the company's financial performance.

During the year, management has assessed the internal control environment and risk management systems. No significant change have been implemented.

Climate risk: Combating climate change, and alignment with Paris Agreement commitments is a strategic risk taken to the Risk Committee globally. For Europe the European Green Deal (EGD), and other directives in Europe such as EUDR, EU ETS, CBAM, Renewable Energy Directive (RED), Energy Efficiency Directive, need an action plan. The Company has prepared its Decarbonisation roadmap to FY'26.

As next steps, the Company has made a commitment to Science Based Targets initiative. Absolute based emission targets are being developed. In order to implement projects the Company undertook Internal Carbon Pricing project in FY24 so that the new projects can factor this in its business justifications.

Foreign currency risk: The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises because future commercial transactions are denominated in a foreign currency (not EUR). Forward foreign exchange contracts are executed with the specific intention of minimizing the impact of foreign currency fluctuations on income. The exchange rate risk primary arising on the export of tyres to the non Euro countries Companies risk management policy requires up to 50 per cent of net currency exposure anticipated for a period of 6 to 12 months in advanced to be hedged. Derivative counter parties are limited to high-credit-quality financial institutions. Management continually monitors the entity's exposures to foreign currency risks as well as its use of derivative instruments. As of balance sheet date, there are is a limited number of derivatives or forward contracts.

Interest rate risk: The company has a management team that continually monitors its exposures to interest rate risks and uses variable rate debt to finance its operations.

Credit risk: Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Company has adopted a policy of only dealing with creditworthy counterparties and does not transact with entities with a below standard credit history. Company's account receivables are largely secured with credit insurance coverage to limit the credit risk. To the extent of uninsured portion, company uses information supplied by credit rating agencies, publicly available financial information and its own trading records to rate its exposure. A credit management team continuously monitors the exposure and the credit ratings of its counterparties.

Liquidity / Cash flow risk: Board of directors has established an appropriate liquidity risk management framework for the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facility, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities. At balance sheet date the company does not have any utilisation under the working capital facility, have a headroom of about Euro 5 Mn. under Factoring facility, company has utilised the facility to the extent of Euro 10.4 Mn and is well within the agreed covenants as defined in the financing agreement.

Price risk: The Company's sales and purchase is exposed to inflation and general demand/supply situation. Major raw material is natural rubber and various other petroleum-based chemicals. Tyre industry like many other industries is going through a steep increase not only in raw material costs, energy costs but also ocean freight costs and general supply chain disruptions. This situation is further worsened due to war situation in Ukraine towards later part of the calendar year 2022. The company is normally able to pass on the impact of inflation to its customers in normal course of business. Management keeps track of price developments in the market based on various industry indices to ensure its competitiveness is not compromised.

Insurance coverage: bigger risks in respect of property, loss of profits and liability have been brought under a insurance policy. Risks in the case of claims and legal action are monitored closely and where necessary provisions are made.

Risk management framework: The Company has an established enterprise risk management framework up to the last level of management. A Risk Management Steering Committee, headed by the President of the company, with representations from all functional heads, embraces the identification, assessment, mitigation, monitoring, and reporting of material risks faced by the company. Risk management strategy also focusses on identify the potential fraud risks and the plan to mitigate it. Each business risk is measured on a scale of 1 to 3 for two key parameters - likelihood and impact. The combined score of these two criteria is considered to decide the overall risk rating of low, medium, or high as under:

Likelihood criterion: How likely soon will the event take place.

- Within 6 months: High score of 3
- 6 to 12 months: Medium score of 2
- Above 1 year: Low score of 1

Impact criterion: Financial impact on profitability

- More than Euro 1 million: High score of 3
- Euro 400k to Euro 1 million: Medium score of 2
- Below Euro 400k: Low score of 1

Overall risk rating (combined score)

- High: Risk score from 5 to 6
- Medium: Risk score from 3 to 4
- Low: Risk score up to 2

The objective of the Committee is to assist the Board of Directors in maintaining high standards of business conduct and good risk management practices to protect the company's assets, achieve sustainable business growth, avoid major surprises, and ensure compliance with applicable legal and regulatory requirements. As at 31st March 2024, committee has reported following key risks and mitigation plans to the board:

Risk No.	Category	Function	Risk identified	Likelihood/Impact	Mitigating controls of management
1	Strategic & Financial	Sales	High customer concentration	High	Company is monitoring 2 key KPIs to track customer concentration in the relevant market: •Maximum concentration ratio by country and customer segment. •Share of account with key customers The company is also working on Brand specific strategies to reduce over-dependence with focus on different customers.
2	Strategic & Financial	Sales	Loss of revenue/market share in TBR tyre sales	Medium	The company is working on implementing measure like onboarding new customers, exploring business opportunities with OE customers, establishing product performance sell in and discount campaigns etc.
3	Operational & Financial	Information Technology	Risk of production stoppage due to use of outdated IT systems without adequate technical support and contingency plan	High	•The company has identified all outdated IT systems. Work is in progress to identify alternative systems and replace old ones. •Existing Manufacturing System (outdated) in Enschede plant being replaced with new Manufacturing System.
4	Operational, Financial & Compliance	Quality	Non-conformity of tyres regarding label values	Medium	•Standard Operating Procedures (SOP) has been defined for Label value assessment and change management process. •Quality of products also being monitored via COP across organisation. •Process of periodic audits & corrective action planning in place.

The company's Risk Management framework is well established to review the risk scenarios & the possible consequences. There was no significant impact from any of the risks mentioned as above on the operations of the company.

Development in Human Resources & Industrial Relations

The Company boasts a diverse workforce, encompassing individuals from various nationalities, age groups, genders, educational backgrounds, and professional experiences. As the organization embarks on a trajectory of growth, human resources emerge as pivotal to its success. Fostering a mutually beneficial environment is paramount, where employees not only contribute to organizational objectives but also experience personal and professional development.

Recognizing the significance of employee milestones and achievements, the Company maintains a tradition of acknowledging service anniversaries and conferring prestigious accolades such as "Employee of the Year" and "Roll of Honour."

In its commitment to nurturing key talents and cultivating future leaders, the Company has implemented targeted training initiatives aimed at bolstering people management capabilities and soft skills across various functions. Further, by facilitating cross-functional participation, the training setup promotes networking and strengthens connections among participants, enriching the learning experience.

In the manufacturing plants, it has introduced an immersive training program tailored for key talents, aimed at deepening their understanding of the Company's products, processes and systems. This initiative equips participants with the knowledge and skills needed to navigate and influence cross-company collaborations, driving continuous improvements and fostering a culture of innovation.

Additionally, we have prioritized the delivery of impactful functional learning journeys for identified Power Users, focusing on enhancing their proficiency in key business processes and tools. These targeted interventions aim to empower employees with the necessary skills and knowledge to excel in their respective roles and contribute effectively to organizational goals.

To provide new joiners with a comprehensive introduction to the company, it has revamped its induction program. This immersive experience includes learning sessions on the Company's history, purpose, values, products, and management. Furthermore, new employees have the opportunity to visit its European headquarters, manufacturing sites, and R&D offices, located in the Netherlands, enabling them to gain firsthand insights into its operations and culture.

Industrial relations

The Company in The Netherlands has three Employees' Unions and two Works Councils and the Management holds regular meetings with these bodies to brief them about operational performance of the company and future plans. HR team has worked hand in hand with Unions & Works Councils on various employee related matters during the year.

Similarly, for the manufacturing company in Hungary, the Management has regular interactions with members of both Employees Union and the Works council to exchange information on all critical topics related to employee welfare, plant operational aspects and overall business environment. In addition, critical information is shared with all employees using digital means. These measures are ensuring a transparent work environment in the plant.

The average number of employees in the Group was 2025 for the year 2023-24. (FY22-23:1997)

Netherlands plant

As part of its commitment to fostering a positive and inclusive work environment, the plant hosts multiple employees get togethers including the annual Christmas party for all employees. These engaging activities has helped to strengthen the sense of belonging among the workforce.

Beyond the engagement activities, the Company's emphasis on continuous learning and development saw the plant conducting a specialized leadership training program for its OHT team. This targeted training initiative focused on enhancing the team's capabilities in organizational structure and coaching for Daily Work Management.

Recognizing the importance of succession planning and knowledge retention, the Company has intensified its efforts in these areas. Through proactive succession planning Initiatives, it aims to identify and develop high-potential talent, ensuring a smooth transition of leadership roles and continuity of key functions.

Hungary plant

The Plant hosted the annual Christmas party, inviting all employees to come together and celebrate the holiday season. Additionally, the financial year saw employee participating in external events such as the Ultra Balaton running competition.

This annual event attracts runners from around the region, offering participants the opportunity to challenge themselves, showcase their athleticism, and experience the scenic beauty of the Balaton region. The year also saw the Company encouraging its employees to bring their loved ones for a behind-the-scenes look at the Company's operations.

Training & Development Initiatives

The commitment for continuous learning and development was evident through various training programs in the Hungary plant. Few of these programs included a comprehensive leadership development training program tailored for Team Leaders and Trainers. Additionally, employees were encouraged to participate in industry-related conferences to stay abreast of the latest trends and innovations in the tyre industry. The plant also invested in professional trainings across diverse fields such as Radiation, First Aid, and Fire Protection, prioritizing employee safety and well-being. Moreover, support for higher education initiatives underscores the plant's commitment to fostering a culture of lifelong learning and personal growth, ultimately elevating the educational level and expertise of the organization. Through these comprehensive training programs, the plant ensures that its workforce remains skilled, knowledgeable, and adaptable in an ever-evolving industry landscape.

The Company has designed a global 'Code of Conduct Policy' ('Code') to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all its employees including Associates, Subsidiaries and Joint Ventures. The Company has also rolled out mandatory online training for all its employees for successful implementation of the Code.

It is mandatory for the employees to undergo video based training modules upon joining the organisation as a part of their induction and once in every two years as of their induction and once in every two years as a part of periodic refresher trainings for all employees.

The online training module is available on the company's intranet and accessible to all the employees.

Gender Diversity

The company believes in providing equal opportunities for women and men at the workplace and is actively promoting gender diversity across various levels in the organization. The company has adopted the below gender diversity target. These targets were adopted prior year & the company continues to reassess these targets. The company continuously evaluates the progress to achieve the targets.

Combined Target for Apollo Tyres (EU)BV + Apollo Tyres (NL) BV	% Female Representation as at 31 March 2024	Target % Female Representation as at 31 March 2028
Management Board	0%	25%
Supervisory Board	17%	17%
Sub Board Level	9%	20%

Whenever there are opportunities, management are looking for gender diversity by onboarding more female staff at management board and sub board level to achieve the targets as setup for March 2028.

Environment & Sustainability

At Apollo Tyres, Sustainability is one of the enablers for achieving its vision FY26. The Company's approach to sustainability is embedded in its values stating, 'Taking Responsibility' to build a responsible and sustainable business that benefits society and delivers excellence to its stakeholders. The Company believes in working towards achieving sustainability across all its operations and value chain. In Europe, Sustainability is aligned with the global framework.

Apollo Tyres' sustainability roadmap defines six key focus areas reinforced by digitalisation to incorporate sustainability principles into its core operations and business goals.

1. Establishment of a Sustainability Governance Model
2. Combating Climate Change
3. Working towards a Circular Economy
4. Building a Responsible Value Chain
5. Fostering a People-Centric Approach
6. Engaging with Communities

To track progress, the Company continues to review its performance using fifteen key performance indicators (KPI). These KPIs have been instrumental in excelling towards the sustainability pathway and contributing to improved ESG performance.

Apollo Tyres undertook a Double Materiality Assessment (DMA) in line with its Sustainability Roadmap for FY26. The Company initiated this assessment to help prioritize key ESG topics that are imperative for business operations and the value chain. This double materiality exercise is an extension of the previous materiality assessment, which was in consultation with its stakeholders, carried out in FY18. The objective of DMA is in line with the Company's continued efforts to integrate ESG into its business and in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD).

Sustainability Governance: At Apollo, the Sustainability Steering Committee, led by the President & Chief Business Officer (CBO), plays a pivotal role in driving its sustainability initiatives. Reporting directly to the Chairman, who holds the highest management position, the CBO carries the ultimate responsibility for strategic management, with a specific focus on climate-related matters.

Comprised of senior management representatives, the Sustainability Steering Group serves as a vital link between the Board of Directors and the operational facets of the organisation. The Committee convenes every quarter, offering crucial oversight on sustainability issues of significant importance, guiding the Company towards the sustainability goals by establishing a cohesive vision for progress. The Sustainability Steering Group of the Committee is responsible for ESG initiatives.

Climate Change: Apollo Tyres recognises the urgent need to address climate change and it is committed to taking proactive measures to reduce the impacts. As a responsible organisation, it understands its role in combating this global challenge by implementing sustainable practices in its operations. The Company is steadfast towards becoming a climate-resilient organisation whereby it has a cross functional environment working group that focuses on three core areas under Environment: Emission Reduction, Water Conservation and Waste management.

The Company has taken SBTi (Science Based Target Initiative) commitment to become Net Zero by 2050 in line with Paris agreement. As a part of the decarbonization strategy for FY26, the Company has set targets to reduce the intensity of its Scope 1 and Scope 2 emissions.

The Energy & GHG efficiency improvements are observed due to various energy efficiency improvements such as waste heat recovery, process optimisation and using energy-efficient equipment and contribution of renewable electricity.

Plants in Netherlands is certified to standard ISO 50001:2018 for Energy Management System. The Company has also taken initiatives to lower the emissions under scope 3. These initiatives focus on downstream logistics emissions reduction by incorporating renewable energy sources and eco-friendly design principles specifically for warehouses in Enschede, Netherlands, and Gyöngyöshalász, Hungary. The Company is building sustainable new warehouses and distribution centres to enhance operational efficiency and environmental sustainability based on eco-friendly design principles.

Apollo Tyres is committed to sustainable water conservation practices to minimize its environmental footprint. In the reporting year, it implemented several water-saving initiatives across its manufacturing plants, resulting in significant water savings.

Circular Economy: Apollo Tyres employs a variety of renewable, non-renewable, and recycled raw materials in its production process. Its major inputs of raw materials are natural rubber, synthetic rubber, carbon black, steel cords, and various chemicals amongst others. The Company has committed to use 40% renewable and recycled input material in all its products by 2030.

Apollo Tyres is committed to responsible waste management across its operations through robust monitoring of all waste reduction initiatives adhering to regulations and internal goals in EU regions. The Company has adopted environmentally conscious waste management practices aligned with frameworks like the 6Rs (Reduce, Reuse, Recycle, Replace, Redesign, and Reliable) This has empowered the Company to progress towards reducing waste generation and use of hazardous chemicals in products and production processes.

Responsible Value Chain: At the core of Apollo Tyres' success lies a robust foundation built on strong principles and values that shape its engagements with supplier partners. The Company understands the profound importance of upholding these standards by fostering trust, cooperation, and sustainability across its supply chain and ensuring prosperity and growth. Sustainable procurement practices represent a linchpin in its commitment to responsible business operations. By prioritising suppliers who share the value of environmental stewardship, ethical conduct, and social responsibility, the Company gains the support to not only mitigate risks associated with resource scarcity, regulatory non-compliance, and reputational harm.

The Company is committed to minimising the environmental and social impacts associated with its business operations by adopting sustainable procurement policies and ensuring the active participation of its suppliers in promoting sustainable practices throughout the raw material supply chain. Since becoming an ordinary member of the Global Platform for Sustainable Natural Rubber (GPSNR) in March 2019, the Company has been actively striving to drive the socio-economic and environmental improvements within the natural rubber supply chain. This effort involves implementing the Apollo Sustainable Natural Rubber Policy (ASNRP) for the Company's natural rubber supplier partners in alignment with the GPSNR policy framework. Presently, 100% of the natural rubber suppliers have committed to compliance by endorsing the Apollo Sustainable Natural Rubber Policy (ASNRP).

CSR & Corporate Philanthropy

The Company is committed to acting in the interests of its stakeholders, by creating positive value for them through the work in communities and for the environment. Globally, it has an overall vision to reach out to over 15 million beneficiaries through its CSR (Corporate Social Responsibility) initiatives. This translates to over 2 million beneficiaries in Europe by FY26.

In Germany: Apollo Tyres organised various activities in Germany as a part of its CSR initiatives. These included a B2Run in Koblenz through which we raised 5 euros per kilometre ran.

In Hungary: In Hungary, during the year the community comes together in acts of kindness and generosity. The ongoing bottle cap collection supports the Együtt Gyógyulni Könnyebb Foundation, offering aid to families in their time of need. In April, the TeSZedd event sees volunteers participate in the cleanliness activity within the Plant area, contributing to a cleaner environment. As winter approaches, the Shoe Box Campaign fills boxes with toys and gifts for children through the Bábista Charity Service. Quarterly blood donation drives provide vital support, while annually, the donation of tires ensures local ambulances can respond swiftly to emergencies.

In Netherlands: The Toy Bank initiative aims to provide toys (both gently used and new) to children from poor backgrounds. To support this cause, the Company organized a Secret Santa gift exchange event in Amsterdam and Enschede, facilitating the collection of toys for donation to the Toy Bank. Approximately 40 toys were collected as a part of this drive.

In collaboration with JINC, Apollo Tyres personnel from our Amsterdam and Enschede offices are engaged in providing job interview training sessions to high school students.

The employees from Amsterdam and Enschede gathered non-perishable items to support the local Voedselbanken contributing to alleviating food insecurity in the community. Approximately 13 crates of food were collected for individuals in need.

Safety, Health & Wellbeing

Working in a safe and healthy environment with a maximum focus on wellbeing continued to be an important driver towards the success of our company. In its endeavour to strengthen Health & Safety culture, the Company ensured significant efforts across its value chain. Health & Safety has been established as a key pillar and mainstay of Apollo Tyres' way of working.

The Company's Health & Safety mission, - "We are committed to achieving Well-being with Always Healthy & Absolute Safety approach (24x7 – Home, road & work). It works towards internalizing ownership, full-participation and employee listening programs. This is complemented by effective and efficient systems and procedures ensuring risk management, continuous learning and establishing rules and standards.

The Company had launched the 'Apollo Safe Way' on World Day for Safety & Health in 2022. It continued to work on the Apollo Safe Way, an integrated health and safety ownership mechanism and tailormade so that individuals, functions and corporate can take ownership of building the health and safety culture.

Central Functions

Within the central, European functions, such as HR, Sales and Marketing, all of its employees are trained as per the Apollo Safe Way training. To upgrade the overall level of Health & Safety in these non-manufacturing areas, project 'RHINO' (European Health and Safety Implementation in Non-manufacturing) has been kicked off to boost the Apollo Safe Way's elements, with a focus on Risk Management, Emergency Response and Awareness.

Enschede Plant, Netherlands

The Plant in Enschede is working with an integrated HSE management system, certified as per ISO 45001 (Health & Safety), ISO 14001 (Environment) and ISO 50001 (Energy) to ensure its structural improvement in these matters. In the past year, the Company has been investing in both machine and fire safety, such as an upgrade in its fire evacuation systems.

The plant is actively enhancing its safety protocols and learning initiatives to promote a secure and productive workplace environment. This includes the continued rollout of the Apollo Safe Way program, which now incorporates Functional Scorecards and Health & Safety Engineering Control Check Sheets. These tools empower employees to uphold safety standards effectively, reducing potential hazards and fostering a culture of safety awareness.

Additionally, it has revamped its Learning & Development (L&D) software system, introducing the H&S Training Passport to streamline training administration and ensure compliance with health and safety requirements. Concurrently, machine safety improvements in the Mixing Area further reinforce its commitment to employee well-being and operational excellence.

Gyönyöshalasz Plant, Hungary

The Plant has achieved recertification for its ISO 45001-based management system, underscoring its commitment to occupational health and safety. It also continued its environmental management standards through a successful surveillance audit of our ISO 14001-based system. Other initiatives included 14 fire safety projects and monthly stakeholder presentations by the EHS department, enhancing communication and awareness. It localized the Apollo Safe Way's Safety Interaction System, established an APEX HSE committee, and implemented comprehensive chemical risk assessments and digitalized systems for fire safety equipment maintenance, incident management, and personal protective equipment, demonstrating its dedication to a safer workplace.

Outlook

Economic Outlook:

Following a period of subdued growth in the previous year, the EU economy has commenced 2024 with weaker momentum than anticipated. This has led to downward revisions in growth estimates for the region. The European Commission's Winter Interim Forecast indicates a projected growth of 0.9% in the EU and 0.8% in the euro area for 2024, compared to the Autumn Forecast of 1.3% and 1.2% respectively. Looking ahead to 2025, economic activity is expected to expand by 1.7% in the EU and 1.5% in the euro area.

Nevertheless, there are signs of gradual acceleration in economic activity anticipated for the current year. With inflation on a declining trend, coupled with real wage growth and a resilient labour market, consumption is expected to rebound. Despite challenges such as declining profit margins, investment is poised to benefit from easing credit conditions and the ongoing implementation of the Recovery and Resilience Facility. Additionally, trade with foreign partners is forecasted to normalize following a sluggish performance in the previous year.

While growth is expected to stabilize from the second half of 2024 through the end of 2025, there are near-term challenges to consider. The expiration of energy support measures across Member States and increased shipping costs due to trade disruptions in the Red Sea may exert some upward pressure on prices. However, this is not expected to derail the overall trend of declining inflation.

Tyre Market Outlook:

The European tyre industry continues to navigate through challenging waters, with significant headwinds on the horizon. The ongoing geopolitical tensions, particularly the war in Ukraine and conflict in Middle east, cast a shadow of uncertainty over the region. The ramifications of this conflict ripple across various sectors, including the tyre industry, as supply chains face disruptions and geopolitical risks loom large.

Despite previous challenges, the industry holds an optimistic outlook, particularly with anticipated growth in the EU Region. With inflation trending downward and economic activity on the rise, the industry anticipates reaping the benefits of these positive developments.

Company Outlook :

The Company continues to be on path of introducing new products, using digitalisation to bring in efficiencies in the manufacturing plant and keeping a sharp eye on cost. In the FY25, the Company is gearing up for a major launch with the upcoming Vredestein Wintrac Pro, the successor to its current Ultra Ultra High Performance (UUHP) Ultra High Performance (UHP) Winter tyre. This revamped version, set to hit the market from June onwards, boasts significant performance enhancements, ensuring that the Vredestein brand maintains its premium standard in winter driving conditions. Following this, it is embarking on the second phase of its flagship Ultrac Pro launch in the Summer UUHP UHP category, rolling out the remaining sizes.

The Company is also having licensing rights for Apollo brand and it is planning a comprehensive overhaul in the passenger car segment as it aims expanding size offerings to encompass over 86 products across all Season, Summer, and Winter segments, catering to SUVs and vans as well.

In the OHT segment, it plans to introduce the new Traxion CropCare and Traxion Hybrid, along with our innovative Tyre Pressure Monitoring System offering between August and September. Additionally, it will continually extend its new steel-belted Flotation Ranges, including the VF Flotation Optimall and Endurion Trailer.

Continuing its successful partnerships with Audi, BMW and Mercedes, it is actively engaged in new projects with premium original equipment manufacturers across Europe.

In TBR product line, it is making strides by introducing the long-awaited 19.5-inch range. Following this, it has plans to expand the Long-Haul range and introducing products in the Pure Regional drive segment.

The Company will continue its focus on enhancing brand awareness through marketing initiatives, particularly for the Vredestein brand. It will continue to leverage its sponsorships with Manchester United, Alpine Ski, Mille Miglia, and les Vredestein 20km de Paris. Additionally, it plans to maintain its TV investment throughout Europe as sponsors of the 'Wintersport TV Broadcast' during winter.

The company expects to continue investing in its operations, including the production facility on a similar level as in the prior period. The company does not expect to require material new financing for the investments and expects to continue repaying on its loans, the company expects no material changes in its finance structure. Looking forward to the subsequent year, we expect no material changes in the staffing level.

Developments after March 31, 2024

There are no other significant developments after the reporting date.

The Board would like to thank all employees, business partners, bankers, customers and other associates for their commitment and efforts in the past year.

Amsterdam, The Netherlands, July 04, 2024

On behalf of the Board of Directors

Benoit Rivallant

Sunam Sarkar

Vishal Kumar Mittal

Rakesh Dewan

Consolidated financial statements

Consolidated financial statements

Consolidated statement of financial position

Before Profit appropriation

(Euro x 1,000)	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	468,603	498,009
Right to use assets	4	17,826	10,935
Intangible assets	5	50,390	54,775
Deferred tax assets	6	1,936	1,229
Other non-current assets	7	355	342
Total non-current assets		539,110	565,290
Current assets			
Inventories	8	129,420	140,704
Trade receivables	9	113,362	126,442
Cash and bank balances	10	17,080	15,084
Other current assets	11	18,462	16,921
Derivative financial assets	14	-	60
Corporate Income Tax	12	152	-
Total current assets		278,476	299,210
TOTAL ASSETS		817,586	864,501
EQUITY AND LIABILITIES			
Total Group Equity	13	510,076	486,273
Non-current liabilities			
Lease liability	4	12,479	5,786
Deferred tax liability	6	22,122	18,314
Pension Liabilities	15	7,867	7,125
Other Non - current Liabilities	16	65,105	80,776
Borrowings	18	22,463	66,319
Total non-current liabilities		130,036	178,320
Current liabilities			
Trade and other payables	17	134,939	145,579
Lease liability	4	6,362	5,667
Derivative financial liabilities	14	-	345
Corporate Income Tax Payable	12	10,667	6,315
Borrowings	18	25,506	42,001
Total current liabilities		177,474	199,907
TOTAL EQUITY AND LIABILITIES		817,586	864,501

Consolidated statement of income

(Euro x 1,000)	Notes	Period Ended 31 March 2024	Period Ended 31 March 2023
Net Sales	19	662,770	684,382
Other Operating Income	20	8,249	3,799
Changes in inventories of finished goods and work in progress	21	11,762	-20,351
Raw materials and purchase of Finished goods	22	262,102	325,626
Employee expenses	23	134,835	127,807
Depreciation and amortisation expenses	24A	47,609	48,051
Other expenses	24B	148,654	143,318
Total Expenses		604,962	624,451
Profit Before interest & taxes		66,057	63,730
Interest Expense	25	-7,969	-4,751
Interest Income	25	785	176
Net Interest Expense		7,184	4,575
Profit before taxes		58,873	59,155
Income tax expense	26	-11,666	-12,219
Net Profit		47,207	46,936

The total net profit is attributable to the owner of the parent company.

Consolidated statement of comprehensive income

(Euro x 1,000)	Notes	Period Ended 31 March 2024	Period Ended 31 March 2023
Net Profit		47,207	46,936
Items that will never be reclassified to profit and loss			
Actuarial gain or losses on pension plan	15	-387	2812
Tax on actuarial gains or losses on pension plans	15	94	-649
		-293	2,163
Items that are or may be reclassified to profit and loss			
Translation differences on foreign operations		-14,111	-12,339
Total other comprehensive income		-14,404	-10,176
Total comprehensive income for the year		32,803	36,760

The total comprehensive income is attributable to the owner of the parent company.

Consolidated statement of changes in equity

	Issued Capital	Share premium reserves	Legal reserves Translation of foreign operations	Legal Reserves Capitalised development	Actuarial gains or losses on pension plans	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2022	18	225,800	-80,967	40,681	-1,722	231,791	33,912	449,513
Profit for the period	-	-	-	-	-	-	46,936	46,936
Other comprehensive income, net of income tax	-	-	-12,339	-	2,163	-	-	-10,176
Total comprehensive income/(loss) for the year	-	-	-12,339	-	2,163	-	46,936	36,760
Dividends	-	-	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-	-
Appropriation of result	-	-	-	-	-	33,912	-33,912	-
Transfers to and from reserves	-	-	-	-3,993	-	3,993	-	-
Total as at 31 March 2023	18	225,800	-93,306	36,688	441	269,696	46,936	486,273
Profit for the period	-	-	-	-	-	-	47,207	47,207
Other comprehensive income, net of income tax	-	-	-14,111	-	-293	-	-	-14,404
Total comprehensive income/(loss) for the year	-	-	-14,111	-	-293	-	47,207	32,803
Dividends	-	-	-	-	-	-9,000	-	-9,000
Appropriation of result	-	-	-	-	-	46,936	-46,936	-
Transfers to and from reserves	-	-	-	-3,494	-	3,494	-	-
Total as at 31 March 2024	18	225,800	-107,417	33,194	148	311,126	47,207	510,076

The Legal reserves are non-distributable.

Consolidated statement of cash flows

(Euro x 1,000)	Notes	Period Ended 31 March 2024	Period Ended 31 March 2023
Profit/ (loss) before tax for the year		58,873	59,155
Depreciation and amortisation	24A	47,609	48,051
Interest	25	7,184	4,575
Amortisation of State Aid Subsidy	20	-2,061	-1,918
Other non-cash items		-285	-19
Cash flows from operating activities		111,320	109,843
<i>Movements in working capital</i>			
Decrease /(increase) in inventories		11,284	-21,550
Decrease /(increase) in trade receivables		13,080	-26,049
Decrease /(increase) in other non-current assets		-721	2,454
Decrease /(increase) in other current assets		-1,799	9,084
(Decrease)/increase in current liabilities		-10,392	-18,520
(Decrease)/increase in non-current liabilities		-9,060	-18,785
Cash increase due to working capital		2,392	-73,365
Cash generated from operations		113,712	36,478
Net (tax paid) / received		-4,502	-3,486
Net cash generated by operating activities		109,210	32,992
<i>Cash flows from investing activities</i>			
Payments for property, plant and equipment	3,17	-18,781	-17,807
Payments for intangibles	5	-7,061	-7,431
State aid subsidy		-	-29
Interest Income	25	785	176
Net cash (used in) /generated by investing activities		-25,057	-25,091
<i>Cash flows from financing activities</i>			
Repayment from borrowings	18	-57,750	-29,750
Inter company Loan/(Repayment)	18	-2,495	6,000
Payment of lease liabilities	4	-5,692	-5,565
Dividend to holding company		-9,000	-
Interest paid	25	-7,220	-4,751
Net cash used in financing activities		-82,157	-34,066
Net decrease/increase in cash and cash equivalents		1,996	-26,165
Cash and cash equivalents at the beginning of the financial year		15,084	41,249
Cash and cash equivalents at the end of the financial year including bank overdraft	10	17,080	15,084

*Movement of Payables related to Capital Goods is considered.

Notes to the consolidated annual accounts for 2023-24

1. General information

Apollo Tyres (Europe) B.V. ("Apollo Tyres (Europe) B.V.", or "the Group") is a private company with limited liability, incorporated in Enschede, the Netherlands. The registered office address of Apollo Tyres (Europe) B.V. is IR E L C Schiffstraat 370, 7547 RD Enschede, The Netherlands. The company is registered in the Chamber of Commerce register under number 54806941.

As at reporting date, Apollo Tyres Coöperatief U.A. owns 100% of the shares in Apollo Tyres (Europe) B.V. The ultimate parent of Apollo Tyres (Europe) B.V. is Apollo Tyres Ltd., India. Apollo Tyres Ltd. files its annual report with Bombay Stock Exchange (India). Apollo Tyres (Europe) B.V. concentrates on manufacturing, marketing, sales and distribution of tyres and supplies tyres for passenger cars, agricultural and industrial vehicles and bicycles. The company's distribution network extends through Europe. The company's products are also sold in North America and to sister companies in Asia. The 2023-2024 financial statements are prepared by the Board of Directors and will be submitted for adoption to the general meeting of shareholders.

2. Material Accounting Policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards published by the International Accounting Standards Board (IASB) as adopted by the European Union and company financial statements in terms of Title 9 BW 2 of Dutch civil code. The consolidated financial statements have been prepared at historical cost, unless indicated otherwise. The accounting policies outlined below were applied consistently for all the periods presented in these consolidated financial statements. The financial data of subsidiaries are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.

The Management Board has performed a going concern assessment including cash flow forecasting for a period of 12 months after the date of the financial statements, and has not identified any going concern risks. The financial statements have been prepared under the assumption that the Group operates on a going concern basis.

2.1 Application of new and revised International Financial Reporting Standards (IFRS)

Standards and interpretations effective and adopted

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The following amended standards and interpretations have been adopted and does not have any significant impact on the Group's consolidated financial statements.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments), effective 1 January 2024.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, effective 1 January 2024.
- Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules2.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, effective 1 January 2024.

Standards and interpretations issued but not yet effective

- IFRS 18 Presentation and Disclosure in Financial Statements was issued by IASB on 9th April'24 and is effective for periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued by IASB on 9th May 2024 and is effective for periods beginning on or after 1 January 2027.

2.2. Basis for Consolidation

The consolidated financial statements include the financial statements of Apollo Tyres (Europe) B.V. and its subsidiaries, being the entities controlled by Apollo Tyres (Europe) B.V. Control is achieved where Apollo Tyres (Europe) B.V. has the power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's return.

The financial data of subsidiaries acquired during the year under review are consolidated as of the moment that Apollo Tyres (Europe) B.V. obtains control. The financial data of subsidiaries disposed of during the year under review are included in the consolidation until the moment that Apollo Tyres (Europe) B.V. loses control. Apollo Tyres (Europe) B.V. did not lose control of any subsidiary during the reporting period. There are no significant restrictions on the ability of company to access or use the assets and settle the liabilities of the company. There are no contractual arrangements that require the parent or its subsidiaries to provide financial support to a consolidated entity. If necessary, the figures for the subsidiaries' financial statements are adjusted to bring the statements in line with the accounting standards applied by Apollo Tyres (Europe) B.V. The financial data of the consolidated subsidiaries are fully included in the consolidated financial statements after elimination of all intercompany balances and transactions. Unrealized profits and losses on intercompany transactions are eliminated from the consolidated financial statements. Proportion of ownership interest and voting power held by the group, directly or indirectly are:

	As at 31 March 2024	As at 31 March 2023
Apollo Tyres (NL) B.V.	100%	100%
Apollo Tyres Hungary Kft	100%	100%
Vredestein Consulting B.V., - The Netherlands	100%	100%
Finlo B.V., Enschede - The Netherlands	100%	100%
Apollo Tyres (Belux) SA, - Belgium	100%	100%
Apollo Tyres (Germany) GmbH, - Germany	100%	100%
Apollo Tyres (UK) Sales Ltd, - United Kingdom	100%	100%
Apollo Tyres (France) SAS, - France	100%	100%
Apollo Tyres (Austria) Gesellschaft m.b.H., - Austria	100%	100%
Apollo Tyres (Iberica) SA, - Spain	100%	100%
Apollo Tyres (Nordic) AB, - Sweden	100%	100%
Apollo Tyres (Schweiz) AG, -Switzerland	100%	100%
Apollo Tyres (Hungary) Sales Kft., - Hungary	100%	100%
Apollo Tyres (Polska) Sp Zo.o., - Poland	100%	100%

Apollo Tyres (Europe) B.V. is part of the Apollo Tyres Ltd group, based in India. All transactions with related parties within the Apollo group are based on regular business activities, following the arm's length principle .

2.3 Foreign currency translation

The balance sheet and income statement are stated in euros, which is the functional currency of Apollo Tyres (Europe) B.V. and the presentation currency for the consolidated financial statements. Receivables, debts and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date. Assets and liabilities of foreign subsidiaries are translated using the exchange rates at the date of the balance sheet. The income statements of foreign subsidiaries are converted at the average exchange rates applying for the periods involved. These exchange rates approximate the exchange rates at the dates of the transactions. Exchange rate differences arising from interests in foreign subsidiaries have been recorded under the other comprehensive income as a separate item.

2.4 Significant estimates and judgments

Apollo Tyres (Europe) B.V. makes certain estimates and assumptions when preparing the consolidated financial statements. Use of available information and the application of judgement is inherent in the formation of estimates. These estimates and assumptions 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. Important estimates and assumptions relate largely to provisions, pensions, intangible fixed assets, deferred tax assets and liabilities. Actual results may differ from these estimates and assumptions. All assumptions, expectations and forecasts that are used as a basis for estimates in the consolidated financial statements represent as accurately an outlook as possible for Apollo Tyres (Europe) B.V. These estimates only represent Apollo Tyres (Europe) B.V.'s interpretation as of the dates on which they were prepared.

2.4 A Macro economic circumstances

The Company's sales and purchase is exposed to inflation and general demand/supply situation. Major raw material is natural rubber and various other petroleum-based chemicals. Tyre industry like many other industries is going through a steep increase not only in raw material costs, energy costs but also ocean freight costs and general supply chain disruptions. This situation is further worsened due to war situation in Ukraine towards later part of the year. The company is normally able to pass on the impact of inflation to its customers in normal course of business. Management keeps track of price developments in the market based on various industry indices to ensure its competitiveness is not compromised.

2.5 Net sales / Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue arises mainly from the sale of tyres to business customers. To determine whether to recognize revenue, the company follows a 5-step process according to IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Step	Outcome of analyses
Step 1 : Identify the contract(s) with a customer	Our revenues are governed by explicit and implied contracts with customers, and with MSA's. Together with the purchase orders of customers we conclude that nearly all contracts are in scope of IFRS 15.
Step 2: Identify the performance obligations in the contract	The purchase orders governed by the contracts have multiple promises on sale of goods, however we consider these promises as significant service of integrating goods and services, so not distinct in the context of the contracts. We distinguish only one PO per contract.

Step 3: Determine the transaction price	We do see some variable components in the transaction price of the analysed contracts at the time of inception, but for annual account purposes these are not variable anymore as over a year they can be fairly accurate calculated and fixed. The contractual period for the bonus calculation in the vast majority of cases ends at a quarter- or year-end so all elements (volume and prices) to calculate the agreed bonus are available at year-end.
Step 4: Allocate the transaction price to the performance obligations in the contract	As concluded under step 2 we see a single performance obligation, therefore the total consideration should be allocated to this single performance obligation. Based on step 3 we conclude that variable consideration to the distinct performance obligation is not applicable. The transaction price at inception is therefore fully allocated to the single performance obligation identified.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	Our customers obtain control on or shortly after the date the goods are shipped from our warehouse to the customer. We recognise revenue at the moment the goods are transferred to the customer

Revenue is recognised at a point in time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers. When the company acts as a principal revenue is recognised in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from product sales is generally recognised when the product is delivered to the client and when there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Delivery does not occur until products have been shipped, risk of loss has transferred to the client and client acceptance has been obtained, client acceptance provisions have lapsed, or the company has objective evidence that the criteria specified in the client acceptance provisions are either perfunctory or have been satisfied.

2.5B Government grants

A government grant is recognised only when there is reasonable assurance that (a) the company will comply with any conditions attached to the grant and (b) the grant will be received.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2.6 Taxation

Income tax includes current and deferred tax. Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity. Current tax is the expected income tax payable or receivable in respect of taxable profit or loss for the year, taking into account tax concessions and non-deductible costs. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The most significant temporary differences arise from the depreciation differences of property, plant and equipment, measuring the net assets at Cost. A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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 Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of machines and equipment and vehicles, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.8 Property, plant and equipment

Property, plant and equipment include all expenditure of a capital nature and are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated according to the straight-line method, with the rate depending on the expected useful life of the asset concerned. No allowance is made for residual values. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Assets held for sale are valued at the lower of book value and fair value, less sales costs. The term of depreciation is generally:

- Accommodations: 25 years
- Buildings: 30 years
- Moulds and formers: 4 years
- Furniture and fixture: 4-10 years
- Plant and machinery: 10-25 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.9 Intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalised costs are written-down over estimated useful lives, which is 6 years. The depreciation takes place on the straight-line basis.

Software is valued at historical cost less accumulated depreciation and accumulating impairment. It mainly consists of customised software, which is depreciated according to the straight-line method, with the rate depending on the expected useful life of the asset concerned (5 years).

Brand name rights have no foreseeable limit to the period over which they are expected to generate net cash inflows for the entity.

For intangible assets with indefinite lives, no indications for impairment are identified, but instead every year an impairment test calculation is made.

The residual value, useful life and amortization /depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

2.10 Impairment or disposal of tangible and intangible fixed assets

On each balance sheet date, Apollo Tyres (Europe) B.V. tests whether there are indications that an individual non-current asset may be subject to impairment. If there are such indications, the recoverable amount of the asset involved is estimated in order to determine the extent to which impairment may apply.

If it is not possible to determine the recoverable amount of the individual asset, then Apollo Tyres (Europe) B.V. determines the recoverable amount of the cash-generating unit to which the asset belongs. Impairment applies if the carrying value of an asset exceeds its recoverable amount. The recoverable amount is equal to the fair value less cost to sell or value in use (business value), whichever is the greater, the business value being the present value of the expected future cash flows from the use of the asset and its ultimate disposal. Impairment is charged to the income statement in the period in which it occurs, unless it relates to a revalued asset at acquisition date due to an acquisition of an entity or a group of entities.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflect current market assessments of the time value of money and the risks specific to the asset (such as residual value, life of the asset and government regulations etc).

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

2.11 Inventories

Inventories are valued at the lower of cost and estimated net realizable value after providing for obsolescence and other losses, where considered necessary. The net realizable value is the estimated sales price less the estimated selling expenses.

In case of raw materials, consumables and sourced finished goods, cost comprises cost of purchase and other costs incurred in bringing such inventories to their present location and condition. The purchase price is determined on a moving weighted average basis.

In case of produced finished goods and goods in progress, cost comprises raw material cost and conversion cost determined on a standard cost basis. Standard cost includes all expenses directly attributable to the manufacturing process as well as suitable portion of related production overheads, based on normal operating capacity. General costs not relating to production, sales and financing costs are not considered. Inventory value is converted from standard cost to actual cost at the end of each periods.

2.12 Financial instruments

I. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 14). On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

III. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

IV. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The company holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Fair value of the derivatives is equal to inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2). Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss. The company does not apply hedging accounting.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognized in the profit and loss account.

vi. Impairment

Non-derivative financial assets:

Financial instruments and contract assets

The company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortized cost; and
- contract assets.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

2.13 Pension liabilities

Defined contribution plan Apollo Tyres (NL) B.V

At reporting date, employees of Apollo Tyres (NL) B.V. & Apollo Tyres (EU) B.V participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance Company. Apollo Tyres (NL) B.V. has no legal or constructive obligation to pay further contributions and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.

Defined benefit plan Apollo Tyres (Germany)GmbH

At reporting date, certain employees of Apollo Tyres (Germany) GmbH participated in defined benefit pension plan. This plan augments the pension provided by the state and provides additional support for the employees in the case of early disability or for surviving relatives in case of the death of an employee. Employees are entitled to this pension plan after 5 years of employment. The benefits of the defined benefit pension plan in Germany are based primarily on years of service and employees' compensation. The mortality level was assessed in accordance with the German Mortality table 2005 G Heubeck. Independent actuary carries out valuation of the obligation under the pension plan on an annual basis. Past service costs are recognised immediately in the statement of income. Actuarial gains or losses are recognised in the other comprehensive income. The present value of the DBO was measured using the projected unit credit method. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

2.14 Other employee benefits

Obligations relating to early retirement and future service anniversary payments are determined on the basis of actuarial calculations. The expected costs of these benefits are allocated to the period of service, using the same valuation principles as for the defined benefit plans. Actuarial differences arising from changes in assumptions are taken directly to the income statement.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. The level of the provisions reflects the best estimate of Apollo Tyres (Europe) B.V. on the balance sheet date, regarding expected expenditures. The liabilities are discounted to their present value if it falls due after 12 months.

2.16 Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.17 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- Actuarial gains or losses on pension plans – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.
- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into EURO.
- Retained earnings include all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.19 Cash Flow Statement

The cash flow statement is prepared using the indirect method. The cash balance in the cash flow statement consists solely of immediately available cash. Cash flows in foreign currencies are translated using the exchange rate on the transaction date. Cash dividends are included in the cash flow from financing activities. The costs of acquisitions and other investments, as long as paid in cash, are included in cash from investing activities. Currency translation effects on foreign operations are presented in the cash flow statement in order to achieve reconciliation between the cash and cash equivalents at the beginning and the end of the period.

2.20 Information by segment

Internal Revenue reports are regularly reviewed by the management in order to allocate resources to the Cash generating units and to assess their performance. Apollo Tyres (Europe) B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

3. Property, plant and equipment

(Euro x 1,000)	Land & accommodations	Building	Moulds & formers	Assets under construction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2022	24,661	161,745	106,995	9,744	11,258	778,697	1,093,101
Additions	-	5,122	2,865	108	1,181	7,152	16,428
Disposals	-	-12	-2,316	-	-127	-87,147	-89,602
Transfer	-168	-3,046	-511	-	-1,065	-9,211	-14,001
Foreign currency translation	-	-	-	-	-	-	-
Balance as at 31 March 2023	24,492	163,810	107,032	9,852	11,247	689,491	1,005,925
Additions	-	972	2,641	5,781	479	6,169	16,042
Disposals	-336	-	-425	-	-1,553	-10,988	-13,302
Transfer	31	-	865	-4,484	20	3,568	-
Foreign currency translation	-205	-4,192	-902	-	-60	-13,188	-18,548
Balance as at 31 March 2024	23,982	160,590	109,211	11,149	10,133	675,052	990,117
Accumulated depreciation							
Balance as at 31 March 2022	2,754	43,376	96,905	-	9,442	416,995	569,472
Depreciation for financial year	107	2,732	4,619	-	579	23,462	31,499
Disposals	-	-12	-2,316	-	-127	-87,147	-89,602
Impairment	-	-	-	-	-	-1,686	-1,686
Foreign currency translation	-	-191	-406	-	-136	-1,033	-1,767
Balance as at 31 March 2023	2,861	45,905	98,802	-	9,757	350,590	507,915
Depreciation for financial year	100	2,871	4,110	-	318	23,746	31,145
Disposals	-	-	-397	-	-1,136	-10,988	-12,521
Impairment	-	-	-	-	-	-	-
Foreign currency translation	-	-495	-592	-	-46	-3,792	-5,025
Balance as at 31 March 2024	2,961	48,281	101,823	-	8,893	359,556	521,514
Balance NET BLOCK as at 31 March 2024	21,021	112,309	7,388	11,149	1,240	315,496	468,603
Balance NET BLOCK as at 31 March 2023	21,631	117,905	8,231	9,852	1,490	338,901	498,009

a) Property, plant and equipment are primarily valued at cost.

b) Company's subsidiary, Apollo Tyres (NL) B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its Real Estate being the Land and Buildings located in the Netherlands. Company's other subsidiary, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledge of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

c) During the Year, Company's subsidiary Apollo Tyres NL BV has disposed of certain Plant & Machinery items.

4. Leases

The Group distinguishes three types of leases:

- Premises: warehouses and offices. Contracts typical run for multiple year periods and have extension options.
- Machines and equipment: comprise different types of operational and warehousing machines and equipment
- Lease cars.

Information about leases for which the Group is a lessee is presented below. For accounting policy see Note 2.

Right-of-use assets

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Carrying amount at 31 March 2022	10,373	2,506	1,934	42	14,856
Investments	347	1,027	113	-40	1,447
Currency differences	10	-9	3	-	3
Depreciation	-3,163	-1,490	-716	-2	-5,371
Carrying amount at 31 March 2023	7,567	2,034	1,334	-	10,935
Investments	9,587	3,264	-46	15	12,820
Currency differences	9	-26	-31	-	-48
Depreciation	-3,489	-1,740	-648	-4	-5,881
Carrying amount at 31 March 2024	13,674	3,532	609	11	17,826

Lease liabilities

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Balance at 31 March 2022	10,883	2,531	1,939	40	15,393
Additions	338	1,016	125	-22	1,458
Repayments	-3,279	-1,535	-733	-18	-5,565
Currency differences	10	-10	6	-	6
Interest charged to the income statement	118	32	14	-	164
Balance at 31 March 2023	8,070	2,034	1,351	-	11,454
Net Additions	9,586	3,135	33	15	12,769
Repayments	-3,233	-1,793	-662	-4	-5,692
Currency differences	10	-16	-0	-	-6
Interest charged to the income statement	262	41	13	0	316
Balance at 31 March 2024	14,695	3,401	734	11	18,841

The repayment amounts shown above are materially in line with the cash outflow for the year.

Amounts recognised in Profit or loss

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Period Ended 31st March 2024					
Depreciation of right-of-use assets	3,489	1,740	648	4	5,881
Interest on lease liabilities	203	40	62	11	316
Total	3,692	1,780	710	15	6,197

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	other	Total
Period Ended 31st March 2023					
Depreciation of right-of-use assets	3,163	1,490	716	2	5,371
Interest on lease liabilities	118	32	14	-	164
Total	3,281	1,522	730	2	5,535

Ageing of lease liability

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31st March 2024				
Lease liabilities	6,362	4,756	7,723	-
As at 31st March 2023				
Lease liabilities	5,667	2,173	3,451	162

Extension Options

Some leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease Expenses in Operating Expenses

The total amount in our operating expenses related to variable lease payments not included in the measurement of lease liabilities is € 2.5 million (2023: € 0.8 million). There is no material expenses related to low value / short term leases.

5. Intangible Assets

(Euro x 1,000)	Development	Brand names	Software	Total
As at 31 March 2022				
Cost	96,886	12,900	33,457	143,243
Depreciation	-56,204	-	-27,573	-83,778
Book value	40,681	12,900	5,884	59,465
Changes in book value				
Investments	6,548	-	883	7,431
Divestments- acquisition value				
Divestments- depreciation		-	-119	-119
Currency translation difference	-649	-	-181	-830
Depreciation for financial year	-9,892	-	-1,280	-11,172
Balance	-3,993	-	-697	-4,690
As at 31 March 2023				
Cost	102,881	12,900	34,109	149,890
Depreciation	-66,193	-	-28,922	-95,115
Book value	36,688	12,900	5,187	54,775
Changes in book value				
Investments	6,915	-	146	7,061
Divestments- acquisition value	-	-	8	8
Divestments- depreciation	-	-	3	3
Currency translation difference	-724	-	-150	-874
Depreciation for financial year	-9,685	-	-898	-10,583
Balance	-3,494	-	-891	-4,385
As at 31 March 2024				
Cost	108,697	12,900	33,927	155,524
Depreciation	-75,503	-	-29,631	-105,134
Book value	33,194	12,900	4,296	50,390

The company owns two Brands; Vredestein & Maloya which are shown at their carrying value on the Balance sheet date. An annual impairment test as at the Balance Sheet date is carried for both the Brands to test if there is an impairment trigger.

The Brand names have an indefinite life as the company has no intention to change names. An impairment test on the Brand names was carried out as at Mar 31, 2024, details of the test are outlined in table below. Based on the present value-in-use calculation, no impairment is deemed necessary:

Test method	"Relief from Royalty method" –
Discount Rate	9.10%
Growth Rate	1.30%
Book Value (Eur'000)	12,900
Number of years for which cash flows were considered to calculate DCF	5 years
Test Result	No Impairment Loss

Cash Generating Unit (CGU)

The Brand Vredestein is owned by Apollo Tyres (NL) BV which produces Vredestein branded Passenger car Tyres & Agricultural tyres. For the purpose of Impairment Testing Apollo Tyres NL BV is considered as a CGU where the company's assets are used for the production of tyres & sold to its parent Apollo Tyres Europe BV. ATNL BV is therefore able to generate independent cashflows out of producing & selling Vredestein branded tyres.

This approach is consistent with the past. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

The processes are in place to initiate production of Maloya Brand.

Methods of Valuation

1. Relief of Royalty method

By using this method for Brand Valuation, the adjusted Royalty savings for the Brand are discounted at the WACC rate to check if the NPV of the future Cashflows is higher than its Carrying value. Royalty rate is considered as 2.5% based upon Group policy.

2. Discounted Cashflow method (Value in Use)

In this method, the future Cashflows that would be generated from the Brand out of its sales over the next 5 years are discounted at the discount rate (WACC).

Following variables are considered for Discounted Cashflow calculations:

WACC rate

Weighted average of Cost of Capital (WACC) is calculated as an weighted average cost of Equity & cost of Debt over a period of 3-5 years at the Consolidated level. Cost of Equity is calculated based on the cost of equity of comparable listed companies within the tyre industry. Cost of Debts is calculated based upon last three years average debt & average interest paid on same as at the Balance sheet date.

Growth Rate

The growth rate is assumed to be the average increase in the revenue for the company year over year. The company maintains 1.3% growth rate for its business.

Working Capital

The company presumes an average Working Capital % to Net sales based upon the actual position as at Balance Sheet date.

Operating Profit

Company use the operating profit % to sales for the full year ending as at Balance sheet date for the purpose of calculating the discounted Cashflows.

6. Deferred Tax

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Deferred tax asset movement		
At beginning of the year as previously reported	1,229	9,591
Current year addition / (charge)	707	-8,363
At end of the year	1,936	1,229

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Deferred tax liability movement		
At beginning of the year as previously reported	18,314	23,458
Current year addition / (charge)	3,808	-5,144
At end of the year	22,122	18,314

Deferred Tax	Period Ended 31 March 2024	Period Ended 31 March 2023
Deferred tax assets:		
Tax losses carried forward	4,537	10,053
Pension benefit plans and jubilee provision	1,385	1,188
Profit elimination of unsold stock at subsidiaries	264	-1,173
Lease Liability	5,012	5,574
Others	454	602
Gross Deferred Tax Asset	11,652	16,244
Set Off Deferred Tax Liability	-9,716	-15,015
Total Deferred tax asset	1,936	1,229
Deferred tax liability		
Property, plant and equipment	20,194	22,130
Lease assets	4,763	5,545
Pre-operatives	2,322	2,567
Brand names	3,328	3,328
Intangible Assets	-	408
Others(Lease Asset)	1,231	-648
Gross Deferred Tax Liability	31,638	33,330
Set off Deferred Tax Asset	-9,716	-15,015
Total Deferred tax liability	22,122	18,314
Net deferred tax liability	20,186	17,086

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The most significant temporary differences arise from the depreciation differences of property, plant and equipment, pension liability and taxable losses carried forward.

The company has recognised all its tax losses which can be carried forward for indefinite period. There are no unrecognised tax loss as on balancesheet date.

The company has identified jurisdictions where the combined effective tax rate is lower than 15%. The transitional safe harbor provisions in the relevant jurisdictions ensure that there is no material impact on the (current and deferred) tax position for the company & mandatory exemptions for deferred tax accounting related to Pillar 2 income taxes have also been applied.

7. Other non current assets

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Rent deposits	355	342

The amortized cost approximates the fair value.

8. Inventories

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Raw materials	16,658	15,945
Work in progress	7,430	11,237
Finished goods	87,503	91,180
Stock-in-trade	4,134	8,412
Consumable stores	13,695	13,929
Total	129,420	140,704

The finished goods, work-in-progress and the consumable stores have been ceded as security for liabilities of the company. The cost of inventories recognized as an expense during the year in respect of continuous operations was EUR 189.9 million. Inventories include an allowance for slow moving/obsolete stock of EUR 0.5 million (2023:EUR 1.0 million).

9. Trade receivables

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Trade receivables	121,086	135,640
Allowance for doubtful debts	-7,724	-9,199
Total	113,362	126,442

All trade receivables shorter than a year are valued at nominal value, which is a reasonable approximation of fair value of the receivables. The credit period generally ranges from 14 days to 90 days. Apollo Tyres (Europe) B.V. has no significant concentrations on credit risks. It has a policy which prevent sales to customers with a below standard credit history. Apollo Tyres (Europe) B.V. has also a good credit management team, which is responsible for overdue receivables. Credit limit is granted after assessing the credit worthiness of customer. Credit report from independent credit rating agency like Credit Safe or equivalent is used. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which no allowance for doubtful debts has been recognized because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Receivable balances that are held to collect are subsequently measured at amortized cost and are subject to impairment as explained in the impairment section of this note. The company derecognizes receivables on entering into factoring transactions if the company has transferred substantially all risks and rewards or if the company does not retain control over those receivables.

The Net Receivable position as at 31 Mar 2024 excludes an amount of Eur 10.3 million (2023: Eur 8.8 million) received under the Non recourse Purchase of Eligible Receivables agreement (factoring agreement). These amounts are derecognised in its entirety following collection based on the factoring agreement.

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	-9,199	-9,330
Addition	-133	-660
Utilisation / reversal	1,606	791
Foreign exchange translation impact	2	-
Balance at end of year	-7,724	-9,199

10. Cash & Bank Balances

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Cash at bank	17,080	15,084

Cash is at free disposal of the company. Negative balances are included as debt (see note 18).

11. Other current assets

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Prepayments	1,441	2,453
VAT recoverable	14,813	14,234
Other receivables	2,208	234
Total	18,462	16,921

12. Corporate tax (receivable/payable)

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Corporate Advance Tax Paid	152	-
Provision for tax	-10,667	-6,315
Net corporate tax position	-10,515	-6,315

The corporate income tax position is netted by country and jurisdiction when there is a legal enforceable right to offset.

13. Total group equity

Reference is made to the note on shareholders' equity in the company financial statements for a detailed note on the share of the legal entity in the group equity.

14. Derivative financial assets & liabilities

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Current assets relating to derivative financial instruments	-	60
Current liabilities relating to derivative financial instruments	-	345
Total net position	-	-285

All derivatives relate to forward foreign currency contracts.

Forward exchange contracts hedge the risk of volatility of future trade activities in foreign currencies. The amount disclosed mainly relates to positions in EUR-GBP, EUR-SEK, EUR-PLN and EUR-INR.

See note 29 for more information on risk management and financial instruments. We do not apply hedge accounting for derivative financial instruments.

15. Pension liabilities

The pension liability as recorded in the balance sheet relates to the defined benefit plan of Apollo Tyres (Germany) GmbH and Apollo Tyres (Swiss) Schweiz and defined contribution plan of Apollo Tyres (NL) B.V. & Apollo Tyres (EU) B.V. in the Netherlands. For the defined benefit plan an actuary of a certified actuarial firm performed plan of Apollo Tyres (Germany) GmbH and Apollo Tyres (Swiss) Schweiz an actuarial calculation.

At reporting date, employees of Apollo Tyres (NL) B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance Company. Apollo Tyres (NL) B.V. has no legal or constructive obligation to pay further contributions and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.

The pension liability Apollo Tyres (Germany) GmbH is valued using the German Law on Modernisation of Accounting Regulations (BilMoG). The entity has no specific (governance) responsibilities with regards to the plan. As the plan is state operated, no entity specific / plan specific risk are applicable other than described above. The valuation method applied is based on the project unit credit method. The 2018 G Standard Tables of Prof. Dr. Heubeck are used as biometric basis. The service period is limited to 40 years resulting in a maximum yearly entitlement (for the first 5 years of credited service) of 0.60% of Average Pay up to the final average social security contribution ceiling (SSCC) and 15% of Average pay exceeding the final average SSCC. For each year of credited service exceeding 5 years there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1% of Average pay exceeding the final average SSCC. For each year of credited service there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1.20% of Average pay exceeding the final average SSCC.

For the Schweiz The collective foundation "AXA Stiftung Berufliche Vorsorge" informed towards year-end 2023 about the new conversion rate of 5.2% at the normal retirement age of 65 years (men/women) for retirements in 2025 or later, uniformly and entirely applied then to the total retirement savings capital for insured persons with year of birth of 1965 or younger (up to now, for men/women retiring at 65/64 years, the mandatory part of the retirement savings was multiplied by 6.8%/6.8% and the extra-mandatory part by 5.0%/4.88% to calculate the retirement pension in total). Because the average mandatory part of the retirement savings capital in the membership is substantial, this plan amendment results in a past service credit as at the end of the current reporting period.

(Euro x 1000)	As at 31 March 2024	As at 31 March 2023
Pension liabilities		
Defined benefit plan Apollo Tyres (Germany) GmbH	7,407	7,061
Defined benefit plan Apollo Tyres (Schweiz) AG	460	65
At end of the year	7,867	7,125

Extracts of defined benefit plan of Apollo Tyres (Germany) GmbH are as follows:

Assumptions Apollo Tyres (Germany) GMBH	Period Ended 31 March 2024	Period Ended 31 March 2023
Inflation	2.2%	2.2%
Indexation non-active members	2.2%	2.2%
Mortality table	Heuback 2018G	Heuback 2018G
Individual salary increase (dependent on	3%	3%
Discount rate	3.50%	3.80%

Defined Benefit Pension plan (Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation		
Balance at beginning of the year	-7,061	-9,162
Service costs	-111	-189
Interest expense	-262	-153
Benefits paid	284	281
Remeasurements due to experience	46	-293
Remeasurements due to change in financial assumptions	-303	2,456
Balance at end of year	-7,407	-7,061
Net balance pensions liability		
Defined benefit obligation		
Plan assets		
Unfunded status	-7,407	-7,061
Net balance pensions liability	-7,407	-7,061

Movement of net liability		
Balance at beginning of the year	-7,061	-9,163
Service cost		
<i>Past service cost</i>	-	-
<i>Current service cost</i>	-111	-189
Interest expense	-262	-153
Defined benefit cost recognized in profit and loss	-373	-342
Defined benefit cost recognized in OCI	-257	2,163
Benefits paid / contributions paid	284	281
Balance at end of the year	-7,407	-7,061

The defined benefit cost recorded in profit and loss is recognized in the income statement.

The key assumptions regarding the calculation of the defined benefit obligation are included below. These summarize the effects on the defined benefit obligation if there would be a change in the assumption mentioned.

Sensitivity analysis	Change in Assumption	Change in defined benefit obligation
Discount rate	Increase by 1.00%	-12.62%
Salary increase	Increase by 0.50%	0.87%
Inflation	Increase by 0.25%	2.75%

Maturity Profile (Euro x 1,000)

Expected payments during fiscal year ending 31/03/2024	340
Expected payments during fiscal year ending 31/03/2026	351
Expected payments during fiscal year ending 31/03/2027	355
Expected payments during fiscal year ending 31/03/2028	370
Expected payments during fiscal year ending 31/03/2029	370
Expected payments during fiscal year ending 31/03/2030 through 31/3/2034	1,994

Analyses of Defined Benefit Obligation by Participant Category (Euro x 1,000)

Active participants	2,434
Deferred participants	876
Pensioners	4,097

Expected Contributions for the period ending 31/03/2025

Employer	-
Plan participants	-

Weighted average Duration of Defined Benefit Obligations: 14.03 Years

Extracts of defined benefit plan of Apollo Tyres (Schweiz) AG are as follows:

Assumptions Apollo Tyres (Schweiz) AG	Period Ended 31 March 2024	Period Ended 31 March 2023
Inflation	1.5%	1.5%
Indexation non-active members	0.0%	0.0%
Mortality table	BVG2020 GT	BVG2020 GT
Individual salary increase (dependent on	1.50%	1.50%
Discount rate	1.50%	2.15%

Defined Benefit Pension plan (EUR x 1,000)	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation		
Balance at beginning of the year	3,632	3,499
Service costs	147	231
Interest expense	86	46
Benefits paid	7	88
Remeasurements due to experience	-18	34
Remeasurements due to change in financial assumptions	224	-266
Foreign exchange translation difference	180	-
Balance at end of year	4,258	3,632
Net balance pensions liability		
Defined benefit obligation		
Plan assets		
Unfunded status	4,258	3,632
Net balance pensions liability	4,258	3,632

Defined Benefit Pension plan (EUR x 1,000)	As at 31 March 2024	As at 31 March 2023
Change in fair value of plan asset		
Fair value of plan assets as at the beginning of the year	3,205	3,036
Return on plan assets*	74	-195
Contribution	274	237
Benefits paid	7	88
Interest Income	77	40
Foreign exchange translation difference	161	-
Fair value of plan assets as at the end of the year (a)	3,798	3,205
Movement of net liability		
Balance at beginning of the year	3,632	3,499
Service cost		
<i>Past service cost</i>		
<i>Current service cost</i>	147	231
Interest expense	86	46
Defined benefit cost recognized in profit and loss	233	276
Defined benefit cost recognized in OCI	206	-231
Benefits paid / contributions paid	7	88
Foreign exchange translation difference	180	-
Balance at end of the year	4,258	3,632
Net Balance at the end of year	460	427

* Return on plan assets EUR 74 (2023 : EUR -195) is part of OCI.

The defined benefit cost recorded in profit and loss is recognized in the income statement.

The key assumptions regarding the calculation of the defined benefit obligation are included below. These summarize the effects on the defined benefit obligation if there would be a change in the assumption mentioned.

Sensitivity analysis	Change in Assumption	Change in defined benefit obligation
Discount rate	Increase by 1.00%	-12.61%
Salary increase	Increase by 0.50%	2.24%
Inflation	Increase by 0.25%	1.67%

Maturity Profile (EUR x 1,000)

Expected payments during fiscal year ending 31/03/2024	166
Expected payments during fiscal year ending 31/03/2026	568
Expected payments during fiscal year ending 31/03/2027	129
Expected payments during fiscal year ending 31/03/2028	120
Expected payments during fiscal year ending 31/03/2029	142
Expected payments during fiscal year ending 31/03/2030 through 31/3/2034	678

Analyses of Defined Benefit Obligation by Participant Category (EUR x 1,000)

Active participants	4,258
Deferred participants	-
Pensioners	-

Expected Contributions for the period ending 31/03/2025

Employer	-
Plan participants	-

Weighted average Duration of Defined Benefit Obligations: 14.03 Years

16. Other Non - current Liabilities

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Deferred Subsidy Income	30,058	33,294
Jubilee benefits	1,405	1,332
Deferred tax payments	33,642	46,150
Total other non-current liabilities	65,105	80,776

Deferred tax payments are deferred payments to the Dutch tax authorities in relation to Covid-19 rulings. These are to be paid back to the Dutch tax authorities in 60 equal instalments started from October 2022.

Jubilee Benefits

There is a jubilee scheme in place for all employees of Apollo Tyres (Europe) B.V. on Dutch payroll. For 12.5, 25 and 40 years of service, benefits are paid to the personnel.

For the provision as at March 31, 2024, following was considered: Salary Increase: 3%, Discount Rate 1.5%, Retirement Age: 67 years and Retention rate: 5%.

Risks in the case of claims and legal action are monitored closely and where necessary provisions are made.

Movement in the Jubilee provision

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening balance	1,332	1,216
Remeasurements	73	116
Closing balance	1,405	1,332

There were no current- or past service costs and no interest expenses.

Deferred Subsidy Income

The Group has successfully completed its greenfield project in Gyöngyöshalász, Hungary through its subsidiary Apollo Tyres Hungary Kft (ATH Kft). For this project, ATH Kft had entered into an agreement for grant with the Ministry of National Development, Government of Hungary on June 30, 2014.

The project was completed by 31st December 2019 within the stipulated time given by Donor. The subsidy agreement defines contractual obligations and criteria for the Company. The monitoring period started in April 2020 for the period of 5 years.

During the financial year FY 2023-24, HUF787 Million (HUF 760 Million – FY 2022-23) was amortised as income in consolidated statement of profit and loss. Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred Income under other non-current liabilities.

During the financial year FY 2021-22, the Company has received grant (VNT3) for HUF 359 Million against its ongoing project for finished goods warehouse expansion. Amortization of subsidy started during the F.Y. 23-24 and we recognised HUF 26M in the P&L. Monitoring period of grant starts in Apr'23 and will end by Mar'25.

Movement in Deferred subsidy income

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening balance	33,294	36,376
Effect of translation difference opening balance	-1,176	-1,164
Amortization during the year	-2,061	-1,918
Closing balance	30,057	33,294

17. Trade and other payables

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Trade payables	53,474	46,640
Payable to related parties	9,310	20,674
Payables related to Capital Goods	1,877	4,616
Sales deductions	15,501	15,088
Interest accrued but not due	127	-9
Tax & social premiums	5,995	5,397
Tax & Social Premiums (Government Dues)	10,386	10,429
Other Employees Payable	1,936	2,602
13th month	824	727
Leave pay	1,485	1,368
Holiday allowance	2,472	1,908
Statutory payable	13,251	18,294
Statutory Payable (Government Dues)	1,922	1,930
Other payables and accruals	16,379	15,915
Total trade and other payables	134,939	145,579

The credit period on purchases generally ranges from 15 days to 60 days. Apollo Tyres (Europe) B.V. has financial risk management policies put in place to ensure that all payables are paid within the pre-agreed credit terms. The carrying amount approximates the fair value.

No interest is calculated with respect to the payables to related parties given the short term character and periodic settling of balances. No pledges and or securities are applicable.

18. Borrowings

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Long-term borrowings	22,750	66,500
Less: Capitalised borrowing costs	-287	-181
Total Long term borrowings	22,463	66,319
Short term part of borrowings	26,255	42,750
Less: Capitalised borrowing costs	-749	-749
Total short term part of borrowings	25,506	42,001
Total Borrowings	49,005	109,250
Less: Capitalised borrowing costs	-1,036	-930
Total Borrowings	47,969	108,320
Movement in Borrowings		

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening balance	108,320	130,468
IC Loan - AT UK Holdings Ltd. (related party)	3,505	-
IC Loan - AT Coop (related party)	-	6,000
IC Loan Repayment- AT Coop (related party)	-6,000	-
Repayment of Bank Loan	-57,750	-29,750
Amortization of capitalised borrowing costs	-106	1,602
Closing balance	47,969	108,320

During FY20, the Company has signed a financing agreement for the long term loan (EUR 175 Million) with Consortium of Banks led by Standard Chartered Bank, the proceeds for which were utilized for repayment of the previous facility loan. The new agreement runs until 13.09.2025.

Company's subsidiary, Apollo Tyres (NL) B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its Real Estate being the Land and Buildings located in the Netherlands. Company's other subsidiary, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledge of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

The interest rate is based on EURIBOR plus a margin.

Gearing Ratio

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Net debt	31,926	94,166
Equity	510,076	486,273
Net debt to equity ratio	6.26%	19.3%

Net debt is defined as the sum of the borrowings and cash and bank balances (see note below). The borrowings include the long-term and short-term borrowings, but exclude capitalised borrowing costs.

Net Debt

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Long Term Borrowings	22,750	66,500
Short Term Borrowings	26,255	42,750
Less: Cash Balance	-17,080	-15,084
Net Debt	31,925	94,166

With the present net borrowing position of EUR 31.9 million, the leverage ratio is 0.28. This is within the limit agreed with the various lenders of a maximum debt cover of 3.

The Other Covenant Ratios for the Borrowing as at 31 March 2024 are included in the table below. The actual numbers noted as on Reporting date are within the limits agreed.

Covenant	Requirement	As at 31.03.2024
Debt Service Coverage	>1.20	1.32
Fixed Assets Coverage	>1.50	9.56
Net Worth (Consolidated)	Positive	EUR 476.8 Mn

19. Revenue

IFRS 15 requires Apollo Tyres (Europe) B.V. to identify operational segments separately based on internal reports that are regularly reviewed by the management in order to allocate resources to the segments and to assess their performance. Apollo Tyres (Europe) B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Revenue from Europe	625,492	647,171
Revenue Outside Europe	37,278	37,211
Total	662,770	684,382

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

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Revenue as per contracted price	706,558	725,702
Reduction towards variable consideration components	-43,788	-41,320
Revenue from contract with customers	662,770	684,382

20. Other Operating Income

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Royalty Income	1,370	352
Amortisation of State Aid Subsidy	2,061	1,915
Profit on Sale of Assets	591	32
Compensation from OE customer	2,062	-
Others	2,165	1,500
Total	8,249	3,799

During the financial year FY 2023-24, EUR 2.0 million (HUF786 million) was amortised as income in consolidated statement of profit and loss (2023: EUR 1.9 million (HUF 760 million) Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred income under other non-current liabilities.

21. Change in inventories of finished goods and work in progress

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Opening Stock		
Work in progress	11,237	9,037
Stock-in-trade	8,412	25,643
Finished goods	91,180	55,798
	110,829	90,478
Closing Stock		
Work in progress	7,430	11,237
Stock-in-trade	4,134	8,412
Finished goods	87,503	91,180
	99,067	110,829
Changes in work in progress and finished goods	11,762	-20,351

22. Raw materials and consumables used

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Raw materials consumed	178,138	199,128
Purchase of finished goods	83,964	126,498
Total	262,102	325,626

23. Employee expenses

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Wages, salaries and welfare	119,282	111,086
Pension & social contribution	15,553	16,721
Total employees cost	134,835	127,807

Pension & social contribution include company pension expenses (see note 15)

24A. Depreciation and amortisation

Depreciation and amortisation expenses

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Amortisation of intangible assets	10,583	11,172
Depreciation right-to-use assets	5,881	5,380
Depreciation of property, plant and equipment	31,145	31,498
Total costs	47,609	48,051

24B. Other Expenses

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Stores and spares consumed	578	3,003
Power and fuel	19,756	25,751
Repairs and maintenance :-		
- Machinery	7,170	7,025
- Others	5,929	5,305
Travelling, conveyance and vehicle expenses	3,965	3,517
Freight and forwarding	40,268	40,114
Advertisement and publicity	23,676	19,255
Research and development	23,854	21,647
Variable lease expenses	2,533	783
Corporate charges	6,908	4,803
Postage, telephony and stationary	1,432	1,375
Insurance	2,618	2,566
Foreign currency loss	-1,517	3,589
Technical claims	2,174	1,604
Rates and taxes	1,581	720
Software fees	525	442
Royalty	511	553
Legal and professional expenses	1,767	785
Audit fees	644	503
Membership fees	740	564
Bank charges	289	340
Reversal of Impairment	-	-2,699
Other cost	3,253	1,773
Total other operating expenses	148,654	143,318

25. Interest

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Interest expenses on borrowings	4,897	2,623
Interest expenses on factoring	356	204
Interest costs on leases	316	219
Interest on government dues	1,612	476
Agency fees	25	366
Other interest expenses	14	116
Total Interest expense excluding interest amortisation	7,220	4,004
Amortisation capitalised borrowing costs	749	747
Interest income	-785	-176
Total	7,184	4,575

26. Income tax expense

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Current taxation	8,702	8,752
Deferred taxation	2,964	3,467
Total	11,666	12,219

Apollo Tyres (Europe) B.V. forms part of the fiscal unity with Apollo Coöperatief U.A., head of the fiscal unity. Apollo Tyres (Europe) B.V. is therefore jointly and severally liable for the liabilities of the fiscal unity. The corporate income tax is calculated as if the company was separately liable for tax. The taxation according the profit and loss account is calculated at applicable rates taking into account permanent and temporary differences. A reconciliation of income tax expense to the tax based on the Dutch statutory rate is as follows:

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Income before taxes	58,873	59,155
Tax based on Dutch tax rate	15,189	15,262
Other statutory rate of foreign countries	-2,646	-2,332
Non-deductible expenses	11	25
Other statutory items of foreign countries	-888	-735
Total	11,666	12,219

The following table shows the effective CIT rates across various calendar years.

	CY 23	CY 24
Profit Upto Eur 200K	19.00%	19.00%
Profit above Eur 200K	25.80%	25.80%

* As our Financial year is April to March - we use CY 23 rate for 9 months Apr 23 – Dec 23) & CY 24 rates for 3 months (Jan24 – Mar 24).

The tax effects related to components of other comprehensive income is EUR 627K.

Below is the detail for the deferred taxation:

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Tax effect of items constituting deferred tax liabilities:		
Property plant and equipment	-2,402	1,466
Lease assets	-617	-
Pre-operatives	-83	-
Reversal of Opening positions through PL	-	2,072
Others	-	88
Total:	-3,102	3,626
Tax effect of items constituting deferred tax assets:		
Carried forward tax loss	5,516	-5,673
Profit elimination of unsold stock at subsidiaries	-	511
Pension benefit plan and jubilee provision	-28	-
Lease liability	381	-1,162
Deviation valuation employee benefits	-	-674
Reversal of Opening positions through PL	-	-958
Others	197	863
Total:	6,066	-7,093
Net Deferred tax:	2,964	-3,467

(Euro x 1,000)	Period Ended 31 March 2023	Period Ended 31 March 2023
Actuarial gains and losses on pension plans	94	649

27. Financial assets by category

As at March 2024 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	17,080	-	-	17,080
Trade receivables	113,362	-	-	113,362
Derivative financial assets	-	-	-	-
Other current assets	17,020	-	-	17,020
	147,462	-	-	147,462

As at March 2023 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	15,084	-	-	15,084
Trade receivables	126,442	-	-	126,442
Derivative financial assets	-	60	-	60
Other current assets	14,468	-	-	14,468
	155,994	60	-	156,054

28. Financial liabilities by category

As at March 2024 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Trade and other payables	134,939	-	-	134,939
Other non-current liabilities	65,105	-	-	65,105
Derivative financial liabilities	-	-	-	-
Borrowings	47,969	-	-	47,969
	248,013	-	-	248,013

As at March 2023 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Trade and other payables	145,579	-	-	145,579
Other non-current liabilities	80,776	-	-	80,776
Derivative financial liabilities	-	345	-	345
Borrowings	108,320	-	-	108,320
	334,675	345	-	335,020

29. Risk Management

General

As a strategy, we target long-term growth in net sales and EBITDA. In addition, we set financial targets for return on average capital employed (based on the operating result). An enabling condition in our policy is a healthy financing structure that maintains a balance between adequate solvency, the leverage of loan capital and sufficient available funding. Our cash flows are strong.

As a result of its activities, Apollo Tyres (Europe) B.V. is exposed to various financial risks. We apply a group-wide treasury policy for adequate management of our cash flows and financing flows and the financial risks relating to them, including (re)financing risks, currency risks and interest rate risks.

A summary is provided below of the main financial risks relating to our objectives, categorised as liquidity risks, currency risks, interest rate risks and credit risks. We also state how we manage these risks.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Apollo Tyres (Europe) B.V. has adopted a policy of only dealing with creditworthy counterparties. The entity does not transact with entities with a below standard credit history. Apollo Tyres (Europe) B.V. uses information supplied by credit rating agencies, publicly available financial information and its own trading records to rate its major counterparties. A credit management team continuously monitors the exposure of Apollo Tyres (Europe) B.V. and the credit ratings of its counterparties. A Risk Management Steering Committee, headed by the President of the company, with representations from all functional heads, embraces the assessment, mitigation and monitoring of credit risks faced by the company. The management steering committee also uses credit insurance in various countries to limit the credit risk.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. It has a policy which prevent sales to customers with a below standard credit history. Credit limit is granted after assessing the credit worthiness of customer. Credit report from independent credit rating agency like D&B or equivalent is used. The credit risk on liquid funds and derivatives is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

The company does not require collateral in respect of trade and other receivables. The company does not have trade receivable for which no loss allowance is recognized because of collateral.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different geographic regions and customer segments.

Loss rates are based on actual credit loss experience over past periods, adjusted for current conditions and the company's view of economic conditions over the expected lives of the receivables.

The maximum credit risk is equal to the carrying amount of each financial instrument on the balance sheet and relates to the following items :

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	17,080	15,084
Trade receivables	113,362	126,442
Derivative financial assets	-	60
Other current assets	17,020	14,468
Total	147,462	156,054

Impairment results on financial assets recognised in profit or loss only relate to trade receivables and were EUR 1.5 million (release) as per 31 March, 2024 (2023: EUR 0.1 million release).

Capital risk management

The company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business.

The Management Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The current gearing ratio of 19% reflects that policy.

Liquidity risk management

Liquidity risk is the risk that Apollo Tyres (Europe) B.V. is unable at the required time to meet its financial obligations. Ultimate responsible for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the company's short, medium and long-term funding and liquidity management requirements. Apollo Tyres (Europe) B.V. manages liquidity risk by maintaining adequate reserves and banking facility, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities. Note 18 set out the details of the borrowing agreements with the banks.

Our borrowings amounted to EUR 45.50 million as at 31 March 2024, as part of a financing agreement with consortium of banks led by Standard Chartered Bank.

The extent of the risk that the ratios agreed with lenders are exceeded is regularly determined. With the present net borrowing position of EUR 31.7 million, the leverage ratio is 0.28. This is within the limit agreed with the various lenders of a maximum debt cover of 3. The agreed maximum leverage of 3 would be reached if the operating result fell by 91%.

Table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 March 2024				
Pension liabilities	-	-	-	7,867
Lease liability	6,362	4,756	7,723	-
Trade and other payables	134,939			
Borrowings	26,255	22,750		
As at 31 March 2023				
Pension liabilities	326	332	1,083	5,385
Lease liability	5,667	2,173	3,451	162
Trade and other payables	145,579			
Borrowings	42,750	66,500		

Exchange rate risk

Foreign exchange risk arises because future commercial transactions are denominated in a foreign currency (not EUR). The management monitors continually the entity's exposures to foreign currency risks.

In addition to the above mentioned transaction related currency risk, the company is also subject to translation related currency risk as a result of consolidation of business units with different functional currencies. The translation related currency risks are not hedged by means of derivatives.

The sensitivity of the operating result of 2023/24 in respect of the currency risk of our positions outside the euro area – for large majority related to USD and GBP position- to a 10% change in the exchange rate of the euro is EUR 1.7 million. The effect on equity is EUR 1.2 million including 25.8% tax rate.

Within the operating result, the negative impact of appreciated foreign currencies on cost of goods sold (transaction impact) are offset by the positive impact of appreciated foreign currencies in translating the operating result of non-EUR business (translation impact). Gains or losses on forward currency contracts (reported in operating result) offset the currency risk from purchasing contracts in foreign currencies from a cash and net profit perspective.

Interest rate risk

The company has a management team that continually monitors its exposures to interest rate risks and uses variable rate debt to finance its operations.

Table below presents the impact on profit for the interest-bearing assets and liabilities assuming a market interest rate shift of 0.25%.

Sensitivity analysis		(Euro x 1000)	
Movement in interest rate risk	Carrying amount	-0.25% Profit before tax	+0.25% Profit before tax
Borrowings	45,500	+235	-235

The effect on equity is EUR 0.17 million including 25.8% tax rate.

30. Fair value information

Financial instruments by category

The table in note 28 sets out the carrying amount of the various financial instruments by category as at the balance sheet date.

Method for fair value measurement of financial instruments

We use a three-level fair value hierarchy:

Level 1

The financial asset at fair value through profit or loss is measured by reference to quoted prices in an active market. At the end of 2024 the company had no assets in this category.

Level 2

As there are no external market prices on which to base the value of receivables, and borrowings, their fair value is determined from generally accepted valuation models. The value determined in this way is equal to the price at which the derivative can be sold in a transparent market. We set the values regularly in consultation with accepted external market parties.

For the valuation of forward currency contracts, the future cash flows in the contract currency are discounted at a rate based on the term and contract currency. The present value at the balance sheet date in the contract currency is translated at the closing exchange rate ruling on the same day.

Level 3

Financial instruments carried at fair value determined by reference to input that is not based on observable market data only apply to the pension liabilities in relation to the defined benefit plans in Germany.

The other receivables, borrowings and commitments are carried at amortised cost. The fair value of the long-term bank liabilities does not materially differ from the carrying amount as the margins were adjusted to market levels in 2015. The fair values of the other items do not differ materially from their carrying amount.

31. Auditor's remuneration

(Euro x 1000)	EY Netherlands	EY Network	Total EY	Other Auditors	Total
Audit Fees	287	56	343	247	590
Other Assurance	13	-	13	-	13
Others	-	-	-	41	41
Total auditor's remuneration for Period Ended 31 March 2024					644

(Euro x 1000)	EY Netherlands	EY Network	Total EY	Other Auditors	Total
Audit Fees	265	91	356	147	503
Other Assurance	-	-	-	-	-
Others	-	-	-	-	-
Total auditor's remuneration for Period Ended 31 March 2023					503

The auditor's remuneration is charged to the financial year for which the audit was performed.

32. Board of director's and key personnel's remuneration

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Board of directors' remuneration	1,376	1,039
Post-employment benefits	58	20
Other benefits	-	-
Termination benefits	-	-
Share-based payment benefits	-	-
Total Board of directors remuneration	1,434	1,059
Key management remuneration	1,786	1,571
Key management post-employment benefits	87	10
Key management other benefits	-	-
Total Key management remuneration	1,873	1,581
Total board and key personnel remuneration	3,307	2,640

No loans, advances or guarantees have been issued in favour of members of the board.

33. Related parties

33.1 Related party indebtedness

This note is related to intercompany balances between Apollo Tyres (Europe) B.V. and companies that are ultimately controlled by Apollo Tyres Ltd (ultimate parent). Intercompany balances between Apollo Tyres (Europe) B.V. and its subsidiaries (other related transactions) have been eliminated. Related party transactions were made on terms equivalent to transactions with third parties. Management has assessed the collectability of receivables from related parties.

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Receivable from:		
Reifencom GmbH	12,857	6,846
Apollo Tyres Global R&D	392	235
Apollo Tyres Thailand	169	21
Apollo Tyres Middle-East	1,370	270
Apollo Tyres Limited, India (ultimate parent)	-	1,303
Apollo Tyres South Africa	28	57
Vredestein Tyres North America Inc.	4,320	4,334
Apollo Tyres AG, Switzerland	9	-
Total Receivables	19,145	13,066
Payable to:		
Saturn F1	110	30
Apollo Tyres Coop	108	937
Apollo Tyres Global R&D	2,608	3,834
Apollo Tyres UK	4,558	875
Apollo Tyres Limited, India (ultimate parent)	9,010	9,735
Apollo Tyres Singapore	4,619	5,131
Apollo Tyres AG, Switzerland	174	132
Total Payables	21,188	20,674

No interest is calculated with respect to the payables to related parties given the short term character and periodic settling of balances. No pledges and or securities are applicable.

Except for Apollo Tyres Limited, India (ultimate parent), all related parties listed above are other related parties.

There is no provision recognised during the year and there is no outstanding provision related to doubtful intercompany debts as on 31st March 2024.

33.2 Related party transactions – Income

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Apollo Tyres South Africa	199	131
Apollo Tyres Middle-East	7,863	1,832
Apollo Tyres Thailand	772	15
Apollo Tyres Limited, India (ultimate parent)	325	1,940
Vredestein Tyres North America Inc.	29,691	33,293
Apollo Tyres COOP	200	-
Reifencom GmbH	27,643	25,016
Total	66,493	62,227

33.3 Related party transactions – Expenses

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Apollo Tyres UK	8,256	6,232
Apollo Tyres Global R&D	28,610	26,619
Apollo Tyres Limited, India (ultimate parent)	58,517	70,995
Apollo Tyres AG, Switzerland	487	553
Apollo Tyres Singapore	35,203	48,529
Apollo Tyres COOP	63	-
Saturn F1	1,074	240
Total	132,210	153,168

34. Average number of employees

	Period Ended 31 March 2024	Period Ended 31 March 2023
Direct departments (production)	1,398	1,430
Non-direct departments	389	380
Total	1,787	1,810
Other countries	210	187
Total average number of employees	1,997	1,997

The number of employees inside Netherlands is 665 (last year : 667).

35. Capital commitment

Capital commitment

(Euro x 1,000)	Period Ended 31 March 2024	Period Ended 31 March 2023
Capital commitment	5,718	8,051

Capital commitments relate to various commitments in relation to planned investments in tangible and intangible fixed assets.

36. Contingent liabilities

The company had no contingent liabilities as per end of March 2024 (March 2023:Nil).The company provided securities for the rent of buildings EUR 1.8 million in the form of bank guarantees (2023: EUR 2.4 million).

37. Post balance sheet events

There are no significant developments after the reporting date.

Company financial statements

Company financial statements

Statement of financial position

Before Profit appropriation

(Euro x 1,000)	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	1	2,419	-
Investment in subsidiaries	2	518,727	599,554
Other non-current assets	3	-	4
Deferred tax asset	4	369	90
Right to use assets	5	9,704	-
Loan & advances	6	42	-
Total non-current assets		531,261	599,648
Current assets			
Inventories	7	60,844	-
Trade receivables	8	22,316	-
Receivable from group companies	9	14,204	5,883
Cash and bank balances	10	9,064	153
Other current assets	11	14,670	857
Corporate Advance Tax	12	67	-
Total current assets		121,165	6,893
TOTAL ASSETS		652,426	606,541
EQUITY AND LIABILITIES			
Issued capital and share premium		225,818	225,818
Legal reserve for translation of foreign operations		(107,417)	(93,307)
Legal reserves for capitalized development		33,194	36,688
Reserve for actuarial gains and losses		148	441
Retained earnings		311,126	269,696
Profit for the period		47,207	46,936
Total Equity	13	510,076	486,273
Provisions			
Jubilee Benefit	14	471	350
		471	350
Non-current liabilities			
Lease liability	5	7,461	-
Borrowings	15	22,463	66,319
Total non-current liabilities		29,923	66,319
Current liabilities			
Trade and other payables	16	21,051	1,243
Debt to group companies	17	47,804	-
Corporate Income Tax Payable	12	4,107	-
Lease liability	5	3,239	-
Borrowings	15	22,001	36,001
IC Loan	18	3,505	15,000
Other current liability	19	10,248	1,355
Total current liabilities		111,955	53,599
TOTAL EQUITY AND LIABILITIES		652,426	606,541

Statement of income

(Euro x 1,000)	Notes	Period Ended 31 March 2024	Period Ended 31 March 2023
Profit from subsidiaries	20	30,052	50,666
Other result after tax		17,155	-3,730
Result of the year		47,207	46,936

Notes to the separate annual accounts for 2023-24

Valuation principals and accounting policies relating to the determination of the result

The company financial statements of the company are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. We utilise the option afforded by Section 362(8) of Book 2 of the Dutch Civil Code to apply the accounting policies used for the consolidated financial statements to the holding company financial statements, with exception of the valuation for investments in subsidiaries, see Note 2. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). The policies include those covering the presentation of financial instruments as equity or loan capital. The financial data of Apollo Tyres (Europe) B.V. are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.

An internal organizational change took place on April 1, 2023 which resulted in the transfer of the sales activities of passenger car tyres and agricultural tyres, alongside supply chain activities that were previously carried out by Apollo Tyres (NL) B.V. to Apollo Tyres (Europe) B.V. Therefore, on April 1, 2023, a substantial portion of the assets and liabilities of Apollo Tyres (NL) B.V. were transferred at carrying value to Apollo Tyres (Europe) B.V. the company has applied carry-over accounting which is consistent with ATNL. The primary assets received from Apollo Tyres (NL) B.V. included inventories and receivables at carrying value, while the primary liabilities received were payable at their carrying value.

The agreed purchased consideration for the above mentioned transfer is as below.

	(Euro x1,000)
Inventories	59.852
Trade receivables	46.356
Trade and other payables	-48.087
Total	58.121

The amount payable to Apollo Tyres (NL) B.V. has been partly settled via an interim dividend of Euro 50 Million and remaining settled against the payables to Apollo Tyres (NL) B.V.

1. Property, plant and equipment

(Euro x 1,000)	Land & accommodations	Building	Moulds & formers	Assets under construction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2023	-	-	-	-	-	-	-
Additions	-	-	-	1,005	430	996	2,431
Disposals	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	-
Balance as at 31 March 2024	-	-	-	1,005	430	996	2,431
Accumulated depreciation							
Balance as at 31 March 2023	-	-	-	-	-	-	-
Depreciation for financial year	-	-	-	-	4	8	12
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	-
Balance as at 31 March 2024	-	-	-	-	4	8	12
Balance NET BLOCK as at 31 March 2024	-	-	-	1,005	426	988	2,419

- Property, plant and equipment are primarily valued at cost.

2. Investment in Subsidiaries

Subsidiaries

In accordance with article 2:362 (8) of the Dutch Civil Code, subsidiaries that are included in the consolidation are stated at net asset value, but not lower than nil.

Subsidiaries with negative equity value are valued at nil. When the company partially or in whole is liable for the debts of such subsidiary, or has the factual obligation to facilitate that subsidiary for payments of its debts, a provision is formed. This provision is calculated taking into account any bad debt provisions already formed for receivables on such subsidiary. The equity and results of the subsidiaries have been determined in accordance with the accounting policies of Apollo Tyres (Europe) B.V.

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Net Position at beginning of Year	599,554	585,381
Investments:		
Dividend	-96,679	-26,528
Other comprehensive Income	-293	2,163
Foreign currency translation differences	-14,111	-12,732
Profit for the year	30,052	50,666
Other movements	204	604
Net Position at the end of year	518,727	599,554

3. Other Non-current Assets

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Other Non Current Assets	-	4

4. Deferred Tax Asset

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Deferred tax Asset		
At beginning of the year as	90	-
Current year addition / (charge)	279	90
At end of the year Net deferred Tax Asset	369	90

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The most significant temporary differences arise from the depreciation differences of property, plant and equipment, pension liability and taxable losses carried forward. Brand names have no fiscal value.

5. Leases

The Group distinguishes three types of leases:

- Premises: warehouses and offices. Contracts typical run for multiple year periods and have extension options.
- Machines and equipment: comprise different types of operational and warehousing machines and equipment
- Lease cars.

Right-of-use assets

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Carrying amount at 31 March 2023	17,442	1,286	-	-	18,728
Investments	4,951	919	-	-	5,870
Disposal	-501	-	-	-	-501
Depreciation	-13,161	-1,232	-	-	-14,393
Carrying amount at 31 March 2024	8,731	973	-	-	9,704

Lease liabilities

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Balance at 31 March 2023	2,059	397	5,647	-	8,103
Additions	4,951	920	-	-	5,871
Repayments	1,245	347	1,894	-	3,486
Interest charged to the income statement	152	6	54	-	212
Balance at 31 March 2024	5,917	976	3,807	-	10,700

Amounts recognised in Profit or loss

(Euro x 1,000)	Buildings	Lease cars	Machine & Equipments	Other	Total
Period Ended 31st March 2024					
Depreciation of right-of-use assets	2,930	338	-	-	3,268
Interest on lease liabilities	152	6	54	-	212
Total	3,082	344	54	-	3,480

Ageing of lease liability

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31st March 2024				
Lease liabilities	3,239	7,461	-	-

Extension Options

Some leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease Expenses in Operating Expenses

The total amount related to short-term leases, low value assets and expenses related to variable lease payments not included in the measurement of lease liabilities is € 1.8 million.

6. Loan & advances

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Deposit given for rented house	42	-

7. Inventories

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Raw materials	12	-
Work in progress	-	-
Finished goods	32,103	-
Stock-in-trade	28,726	-
Consumable stores	3	-
Total	60,844	-

8. Trade receivables

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Trade receivables	28,643	-
Allowance for doubtful debts	-6,327	-
Total	22,316	-

9. Receivables from group companies

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Receivable from subsidiaries and group companies	14,204	5,883

10. Cash & Bank Balances

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Cash in hand	4	-
Cash at Bank	8,865	153
Remittance in transit	195	-
Total	9,064	153

Cash is at free disposal of the company. Negative balances are included as debt (see note 18).

11. Other current assets

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Prepayments	168	-
VAT recoverable	14,424	-
Prepaid Insurance	78	-
Prepaid Expense	-	857
Total	14,670	857

12. Corporate tax (receivable/payable)

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Corporate Advance Tax Paid	67	-
Provision for tax	-4,107	-
Net corporate tax position	-4,040	-

The corporate income tax position is netted by country and jurisdiction when there is a legal enforceable right to offset.

13. Equity

Ordinary shares

Issued

Ordinary shares: 18.000 ordinary shares of EUR 100 each. All shares issued are fully paid and registered. There were no changes in the share capital.

(Euro x 1,000)	Issued Capital	Share premium reserves	Legal reserves	Legal reserves	Legal Reserves	Actuarial gains or losses on pension plans	Retained earnings	Profit for the period	Total Equity
			Translation of foreign operations	Capitalised development					
Total as at 31 March 2022	18	225,800	-80,967	40,681	-1,722	231,791	33,912	449,513	
Profit for the period	-	-	-	-	-	-	46,936	46,936	
Other comprehensive income	-	-	-12,339	-	2,163	-	-	-10,176	
Dividend	-	-	-	-	-	-	-	-	
Appropriation of results	-	-	-	-	-	33,912	-33,912	-	
Transfers to and from reserves	-	-	-	-3,993	-	3,993	-	-	
Total as at 31 March 2023	18	225,800	-93,306	36,688	441	269,696	46,936	486,273	
Profit for the period	-	-	-	-	-	-	47,207	47,207	
Other comprehensive income	-	-	-14,111	-	-293	-	-	-14,404	
Dividend	-	-	-	-	-	-9,000	-	-9,000	
Appropriation of results	-	-	-	-	-	46,936	-46,936	-	
Transfers to and from reserves	-	-	-	-3,494	-	3,494	-	-	
Total as at 31 March 2024	18	225,800	-107,417	33,194	148	311,126	47,207	510,076	

The Legal reserves are non-distributable.

We propose to add the profit for the year to the retained earnings.

14. Jubilee Benefit

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening Balance	350	-
Increase during the current year (remeasurments)	121	350
At end of the year	471	350

15. Borrowings

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Long-term borrowings	22,750	66,500
Less: Capitalised borrowing costs	-287	-181
Total Long term borrowings	22,463	66,319
Short term part of borrowings	22,750	36,001
Less: Capitalised borrowing costs	-749	-
Total short term part of borrowings	22,001	36,001
Total Borrowings	45,500	102,501
Less: Capitalised borrowing costs	-1,036	-181
Total Borrowings	44,464	102,320

Movement in Borrowings

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening balance	102,320	130,468
Repayment of Bank Loan	-57,750	-29,750
Amortization of capitalised borrowing costs	-106	1,602
Closing balance	44,464	102,320

During FY20, the Company has signed a financing agreement for the long term loan (EUR 175 Million) with Consortium of Banks led by Standard Chartered Bank, the proceeds for which were utilized for repayment of the previous facility loan. The new agreement runs until 13.09.2025.

Company's subsidiary, Apollo Tyres (NL) B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its Real Estate being the Land and Buildings located in the Netherlands. Company's other subsidiary, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledge of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

The interest rate is based on EURIBOR plus a margin.

16. Trade and other payables

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Trade Payable	13,519	-
Employee Payable	1,171	1,243
Provision for sales related obligation	6,361	-
Total	21,051	1,243

17. Debt to group companies

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Payable to related party - subsidiaries	47,804	-
Total	47,804	-

18. IC Loan

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
IC Loan from ATHU	-	8,000
IC Loan from ATNL	-	1,000
IC Loan from AT COOP	-	6,000
IC Loan from AT UK Holding	3,505	-
Total	3,505	15,000

Movement in IC Loan

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Opening Balance	15,000	9,000
IC Loan from ATHU	-8,000	-
IC Loan from ATNL	-1,000	-
IC Loan from AT COOP	-6,000	6,000
IC Loan from AT UK Holding	3,505	-
Total	3,505	15,000

19. Other current liability

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Social Premium Incl. of wages	1,054	729
Accrued Interest	127	287
Expense Payable	7,565	339
Payable to statutory authorities	1,502	-
Total	10,248	1,355

20. Profit from subsidiaries

(Euro x 1,000)	As at 31 March 2024	As at 31 March 2023
Profit from Investment in Subsidiaries	30,052	50,666
Total	30,052	50,666

Board of directors and all key personnel's' remuneration

There was no remuneration paid to the Directors of the company in their capacity as Directors. No loans, advances or guarantees have been issued in favour of members of the board.

Post balance sheet events

The company has no subsequent events.

Signing the financial statements

Amsterdam, The Netherlands, July 04, 2024

The Board of directors:

Benoit Rivallant

Sunam Sarkar

Vishal Kumar Mittal

Rakesh Dewan

Supervisory Board

Neeraj Kanwar

Francesco Gori

Pallavi Shroff

Other information

Other information

Provisions of the articles of association concerning profit appropriation

Article 32: profit and distribution of profits

1. The profits shall be at the disposal of the shareholders meeting, subject to the following provisions:

a. the company may only make distributions of profits to shareholders to the extent that the shareholders' equity exceeds the paid and called up part of its capital plus the reserves, which are required to be maintained by law;

b. distribution of profits may only be made after adoption of the annual accounts showing that the distribution is permissible.

2. The company may make interim distributions provided that the requirements of paragraph I sub a have been met.

3. The shares that the company holds in its own capital shall not be included for the purpose of calculating the profit distribution, unless a right of usufruct has been established on those shares in favour of persons other than the company or if depositary receipts were issued for those shares.

4. As of one month after the declaration, the dividend shall be at the disposal of the shareholders, unless the shareholders meeting determines another term. After five years have passed, the claims shall expire. Dividends that are not disposed of within five years after their becoming available for payment shall revert to the company.

5. A loss may only be offset against the reserves which are prescribed by law to the extent that it is permitted by law.

Independent auditors report

The independent auditors report is stated on the following pages.

Independent auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.