

Apollo Tyres Cooperatief U.A.

Financial Statements

March 31, 2024

Apollo Tyres Cooperatief U.A.
Balance sheet as at 31 March 2024

(All amounts are in € unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Intangible assets	3	30,382.36	30,382.36
Financial assets			
i) Investments	4	796,292,432.53	796,169,719.11
Total non-current assets		796,322,814.89	796,200,101.47
Current assets			
Financial assets			
i) Cash and cash equivalents	5	1,202,063.42	3,670,363.09
ii) Loans	6	-	6,017,050.67
iii) Other financial assets	7	119,906.13	936,577.67
Total current assets		1,321,969.55	10,623,991.43
Total assets		797,644,784.44	806,824,092.90
EQUITY AND LIABILITIES			
Equity			
Membership interest	8	306,156,033.33	306,156,033.33
Other equity			
i) Reserves and surplus		491,482,951.58	481,098,488.43
Total equity		797,638,984.91	787,254,521.76
LIABILITIES			
Current liabilities			
Financial liabilities			
i) Borrowings	9	-	19,524,640.00
ii) Other financial liabilities	10	5,799.53	44,931.14
Total current liabilities		5,799.53	19,569,571.14
Total equity and liabilities		797,644,784.44	806,824,092.90
Summary of significant accounting policies and other explanatory information	1-14		

Apollo Tyres Cooperatief U.A.**Statement of profit and loss for the year ended 31 March 2024***(All amounts are in € unless otherwise stated)*

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Other Income	11	10,910,733.35	5,957,221.24
Total income		10,910,733.35	5,957,221.24
Expenses			
Finance costs	12	505,456.76	316,889.13
Other expenses	13	129,281.96	63,139.62
Total expenses		634,738.72	380,028.75
Profit before tax		10,275,994.63	5,577,192.49
Corporate income tax	14	(108,468.52)	122,181.48
Profit for the year		10,384,463.15	5,455,011.01
Summary of significant accounting policies and other explanatory information	1-14		

Apollo Tyres Cooperatief U.A.
Statement of Changes in equity for the year ended 31 March 2024

A. Membership Interest *(All amounts are in € unless otherwise stated)*

Particulars	Total
Balance as at 1 April 2022	306,156,033.33
Changes in membership interest during the year	-
Balance as at 31 March 2023	306,156,033.33
Changes in membership interest during the year	-
Balance as at 31 March 2024	306,156,033.33

B. Other equity

Particulars	Retained earnings	Total
Balance as at 1 April 2022	475,643,477.42	475,643,477.42
Profit for the year	5,455,011.01	5,455,011.01
Balance as at 31 March 2023	481,098,488.43	481,098,488.43
Profit for the year	10,384,463.15	10,384,463.15
Balance as at 31 March 2024	491,482,951.58	491,482,951.58

Summary of significant accounting policies and other explanatory information 1-14

Apollo Tyres Cooperatief U.A.

Cash flow statement for the year ended 31 March 2024

(All amounts are in € unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax as per statement of profit and loss	10,275,994.63	5,577,192.49
Adjustment for:		
Finance cost	505,456.76	316,889.13
Interest income	(162,849.86)	(51,460.60)
Dividend income	(10,691,915.25)	(5,905,760.64)
Operating loss before working capital changes	(73,313.72)	(63,139.62)
Other current assets (financial and non-financial)	925,140.06	27,306.80
Other loans (financial)	6,000,000.00	(5,714,876.89)
Other financial liabilities (current and non-current)	107,036.68	(217,100.81)
Net cash generated from / (used in) operating activities (A)	6,958,863.02	(5,967,810.52)
Cash flows from investing activities		
Purchase of intangible assets	-	(30,382.36)
Investment in equity shares of subsidiaries/others	(231,187.15)	(342,583.08)
Interest received	179,900.53	34,409.93
Dividend received	10,691,915.25	5,905,760.64
Net cash flow from investing activities (B)	10,640,628.63	5,567,205.13
Cash flows from financing activities		
Finance charges paid	(543,151.32)	(294,108.98)
Current borrowings (net)	(19,524,640.00)	(705,360.00)
Net cash used in from financing activities (C)	(20,067,791.32)	(999,468.98)
Net (decrease) in cash and cash equivalents (A+B+C)	(2,468,299.67)	(1,400,074.37)
Opening cash and cash equivalents	3,670,363.09	5,070,437.46
Closing cash and cash equivalents (Refer note 4)	1,202,063.42	3,670,363.09

Apollo Tyres Cooperatief U.A.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

1. Company Overview

Apollo Tyres Cooperatief U.A. (the "Cooperative"/ "Company") is a cooperative with exclusion of liability, incorporated under Dutch law, having its corporate seat at Enschede, the Netherlands. The Company is a subsidiary Company of Apollo Tyres Limited (holding Company), an Indian listed company with registered address at 3rd floor, Areekal mansion, Panampilly Nagar, 68203, Kochi, India, which prepares its consolidated financial statements under IND AS.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared on going concern basis, in accordance with recognition and measurement principles of Indian Accounting Standards ('Ind AS') as issued by Institute of Chartered Accountants of India ("ICAI") solely to assist Apollo Tyres Limited a. in filing the annual performance report of the Company as required by RBI to comply with the clause iii of Para 15 of the Reserve Bank of India (the "RBI") Notification No. FEMA 120/RB-2004 dated 7 July 2004 (the 'Notification') and b. for submission to the banks in order to comply with the loan facility agreements entered between the Company and the lenders. Accordingly, these financial statements do not contain the disclosures required by Ind AS or Schedule III of the Companies Act, 2013.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles, i.e., Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, in accounting estimate is recognized prospectively in the current and future periods.

(c) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(d) Borrowing costs

Borrowing costs are charged to the statement of profit and loss as incurred.

(e) Taxation

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

(f) Foreign currency transactions

The financial statements are presented in Euro which is the functional and presentation currency of the Company.

Monetary assets and liabilities in foreign currencies are converted into the functional currency at the closing exchange rate prevailing at the reporting date with the resulting differences, on subsequent restatement/settlement is recognised in the statement of profit and loss.

(g) Investment in equity instruments of subsidiaries, joint ventures and associates

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'.

(h) Financial instruments

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

Financial assets

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

Classification of financial asset

Loans and receivable

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

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

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

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

Financial liabilities

Financial liabilities subsequently measured at amortised cost

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

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

Apollo Tyres Cooperatief U.A.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(i) Impairment of financial assets

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

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

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

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12- month expected credit losses.

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

(j) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank with an original maturity of three months or less.

Apollo Tyres Cooperatief U.A.**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2024****Note 3: Intangible Assets***(All amounts are in € unless otherwise stated)*

Description of assets	Gross Block				Accumulated Amortisation			Net Block		
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Amortisation expense	Disposals	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Trademarks	30,382.36	-	-	30,382.36	-	-	-	-	30,382.36	30,382.36
Total	30,382.36	-	-	30,382.36	-	-	-	-	30,382.36	30,382.36

Apollo Tyres Cooperatief U.A.
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2024
FINANCIAL ASSETS (NON-CURRENT)
(All amounts are in € unless otherwise stated)
Note 4: Investments
At cost (unquoted)
Subsidiary companies:
Investment in equity instruments:

	As at 31 March 2024	As at 31 March 2023
Apollo Tyres (Europe) B.V. (18,000 (18,000) equity shares having face value of € 1 each)	686,184,938.46	686,184,938.46
Apollo Tyres Global R&D B.V. (100 (100) equity shares having face value of € 1 each)	1,900,536.44	1,900,536.44
Apollo Tyres (Thailand) Limited (3,999,998 (3,999,998) equity shares having face value of Baht 100 each)	2,552,230.29	2,552,230.29
Apollo Tyres do (Brasil) LTDA (784,800 (784,800) equity shares having face value of Real 1 each)	311,732.00	311,732.00
Apollo Tyres AG (3,748,652 (3,748,652) equity shares having face value of CHF 1 each)	5,885,658.70	5,885,658.70
Apollo Tyres (Middle East) FZE (2 (2) equity shares having face value of AED 1,000,000 each)	3,060,815.38	3,060,815.38
Apollo Tyres Holdings (Singapore) Pte. Ltd. (15,565,383 (15,565,383) equity shares having face value of \$ 1 each)	9,714,275.72	9,714,275.72
Apollo Tyres (UK) Holdings Ltd. (18,501 (18,501) equity shares having face value of GBP 1 each)	20,522,288.84	20,522,288.84
Apollo Tyres (R&D) GmbH (25,000 (25,000) equity shares having face value of € 1 each)	600,000.00	600,000.00
Reifencom GmbH Hannover (750,000 (750,000) equity shares having face value of € 1 each)	46,250,000.00	46,250,000.00
Apollo (South Africa) Holdings Pty. Ltd. (130 (130) equity shares having face value of Rand 1 each)	4,193,880.67	4,193,880.67
Apollo Tires (US) Inc. (100 (100) equity shares having face value of \$ 0.01 each)	10,140,062.51	10,140,062.51
Saturn F1 Pvt Ltd (12,750,000 (12,750,000) equity shares having face value of GBP 0.25 each)	2,353,111.83	2,353,111.83
A	793,669,530.84	793,669,530.84

At fair value through profit and loss (unquoted)
Other companies: *
i) Investment in preferred stock:

Visby Medical, Inc. (formerly known as Click Diagnostics Inc.) (49,358 (49,358) Series C preferred stock having face value of \$ 0.0001 each)	B	887,390.19	887,390.19
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ii) Other investments

MHA Capital LP - Series OL	1,161,741.27	1,270,215.00
Output Industries Limited	573,770.23	342,583.08
C	1,735,511.50	1,612,798.08

A+B+C
796,292,432.53
796,169,719.11

Aggregate amount of unquoted investment

* Cost of unquoted preferred stock and other investments has been considered as an appropriate estimate of fair value

FINANCIAL ASSETS (CURRENT)
Note 5: Cash and cash equivalents

Balance with banks in current account	1,202,063.42	3,670,363.09
	1,202,063.42	3,670,363.09

Note 6: Loans
Unsecured, considered good

Loans to related party - Apollo Tyres (Europe) B.V. (including interest accrued) (refer note below)	-	6,017,050.67
	-	6,017,050.67

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

Apollo Tyres Cooperatief U.A.**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31****March 2024***(All amounts are in € unless otherwise stated)***Note 7: Other financial assets****Unsecured, considered good**

Receivable from related parties

	As at	As at
	31 March 2024	31 March 2023
	119,906.13	936,577.67
	119,906.13	936,577.67

Note 8: Membership interest

Membership interest held by:

Apollo Tyres Limited

Apollo Tyres (Greenfield) B.V.

	306,155,033.33	306,155,033.33
	1,000.00	1,000.00
	306,156,033.33	306,156,033.33

FINANCIAL LIABILITIES (CURRENT)*(All amounts are in € unless otherwise stated)***Note 9: Borrowings****Secured**

Term loan from banks *

	As at	As at
	31 March 2024	31 March 2023

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14,962,500.00

Unsecured**Loan from related party (including interest accrued)**

Apollo Tyres (Greenfield) B.V. **

Apollo Tyres AG #

Apollo Tyres (R&D) GmbH ##

	-	250,000.00
	-	2,812,140.00
	-	1,500,000.00
	-	19,524,640.00

* During the year ended 31 March 2019, the Company executed an agreement with a bank to raise funds upto € 42,000,000 . This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited. During the previous year, the Company has repaid € 5,000,000 and the balance € 15,000,000 was refinanced for another one year which carried interest rate of 0 to 1% per annum above Euribor. During the current year, the Company has fully repaid the loan.

** The Company executed loan agreement dated 07 June 2017 with its related party, namely, Apollo Tyres Greenfield B.V. to obtain funds upto \$ 10,000,000. The Company obtained \$ 6,650,000 under the aforesaid agreement. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement which has been further extended. The loan carries interest rate of Euribor plus a margin of 150-225 basis points . During the current year, the Company has fully repaid the loan.

The Company executed loan agreement dated 23 March 2023 with its related party, namely, Apollo Tyres AG to obtain funds upto \$ 5,000,000. The Company obtained \$ 3,000,000 under the aforesaid agreement. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement. The loan carries interest rate of Euribor plus a margin of 150 basis points. During the current year, the Company has fully repaid the loan.

The Company executed loan agreement dated 3 March 2023 with its related party, namely, Apollo Tyres (R&D) GmbH to obtain funds upto € 5,000,000. The Company obtained € 1,500,000 under the aforesaid agreement. The loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement. The loan carries interest rate of Euribor plus a margin of 150 basis points. During the current year, the Company has fully repaid the loan.

Note 10: Other financial liabilities

Expenses payable

Interest accrued on borrowings

	5,799.53	7,236.58
	-	37,694.56
	5,799.53	44,931.14

Apollo Tyres Cooperatief U.A.**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2024***(All amounts are in € unless otherwise stated)*

	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 11: Other income		
Interest income on bank deposits	99,854.86	34,409.93
Interest income on loan to subsidiaries	62,995.00	17,050.67
Dividend income from subsidiaries	10,691,915.25	5,905,760.64
Royalty Income	11,437.61	-
Gain on foreign exchange fluctuations, net	44,530.63	-
	10,910,733.35	5,957,221.24
Note 12: Finance cost		
Interest on loans	498,946.76	280,987.79
Other borrowing cost *	6,510.00	35,901.34
	505,456.76	316,889.13
Note 13: Other expenses		
Legal and professional (including Corporate Cross Charges)	18,933.89	16,654.65
Bank Charges	1,875.16	1,911.06
Loss on foreign exchange fluctuations, net	-	44,572.91
Miscellaneous expenses	108,472.91	-
	129,281.96	63,139.62

* represents corporate guarantee fees payable to the Holding Company

Note 14: The Company is a part of Fiscal Unity Group for Dutch Corporate Income tax (CIT) purposes, where Apollo Tyres (Europe) B.V., a Company under common group makes the consolidated Corporate Income Tax (CIT) payments to the Dutch Tax Authorities. Each member of the fiscal unity is severally liable for their share of Corporate Income Tax Liability/Asset. The Company has a net tax asset position which is shown as receivable from related parties under other current financial assets.