Apollo Vredestein B.V.
Annual Accounts 2018-19

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Supervisory Board Report

The Supervisory Board of Apollo Vredestein B.V. presents its report for the year ended March 31, 2019

Introduction

Economic activity in the EU and the euro area moderated in 2018 on the back of a combination of internal and external factors. While a moderation of growth was foreseen, the slowdown in the second half of 2018 turned out to be more pronounced than expected. Growth in the euro area slipped to 0.2% in the last two quarters of 2018. As a result, GDP growth for the year 2018 as a whole is estimated to have grown by 1.9% in both the euro area and the EU

Over the next two years, the economy is expected to continue growing but at a slower pace. Outside the EU, activity is also slowing down amid high uncertainties, and the outlook varies for different parts of the world

In the euro area, the ECB's monetary policy has remained highly accommodative. While the ECB decided to end its net asset purchases in December 2018, significant monetary policy stimulus was still considered necessary to support the further build-up of domestic price pressures and inflation over the medium term.

According to the European Tyre and Rubber Manufacturers' Association (ETRMA) data the sale in passenger tyre (PCT) market in 2018 grew slightly compared to 2017. The All Season passenger tyre segment remained in focus by all manufacturers , with a strong growth during the year.

During FY19, Company's Passenger Car Tyre volume improved over the last year in line with overall market trend. The company registered a strong improvement in SUV & Light Truck categories and continued on its strategy of premiumization. Sales growth was supported with the ramp-up of Hungarian factory during the financial year. The sales for agricultural segment improved during the year and registered market share improvement in a declining market. Truck & Bus Tyre products are well accepted and appreciated in the market The company expects strong growth opportunities for the upcoming financial year and will be supported by ramp-up of the Hungarian factory next financial year. The company achieved overall 7% increased turnover for the year.

Changes in the Board

There have been following changes in the composition of the Supervisory Board.

Mr. Akshay Chudasama has joined with effect from 2nd May 2019
Mr. Francesco Gori has resigned with effect from 11th April 2019

The full composition of the Supervisory Board is as under.

Mr Onkar Singh Kanwar
Mr Neeraj Kanwar
Prof. Dr. Ir. Fred J.A.M van Houten
Mr Akshay Chudasama

Meetings of Supervisory Board
The Supervisory Board met four times during the period on the following dates:

2nd May 2018
26th July 2018
06th November 2018
29th January 2019

Role of Supervisory Board
The role of Supervisory Board is to supervise policies and business activities of the company and to provide advice in best interest of the company, its shareholders and employees.

Supervisory Board Remuneration
During the financial year ended March 31, 2019, EUR 20.000 was paid as remuneration to Works Council Nominee Director for his services

Amsterdam, May 17 , 2019

On behalf of the Supervisory Board

Onkar Singh Kanwar

Neeraj Kanwar

Fred J.A.M van Houten

Akshay Chudasama

Report by the Board of Directors

The board of directors of Apollo Vredestein B.V. put on record the company's annual accounts for the year ended March 31, 2019

The company

Apollo Vredestein B.V. is a 100% subsidiary of Apollo Tyres B.V. and ultimately held by Apollo Tyres Ltd, India, a listed multinational organisation and a global tyre manufacturer. The company, and its 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 group sells passenger vehicle tyres under two brands, Vredestein and Apollo. The groups European headquarters is based at Amsterdam, Netherlands and production facilities are based in Enschede, Netherlands. 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 group is well known for its distinctive designs created in collaboration with the Italian industrial design bureau, Giugiaro Design Company.

Financial information

(in millions of euros)	**2018-19**	**2017-18**
Revenue	505.5	471.9
Profit before Interest & Taxes	1.9	27.0
Net Financing expenses	0.6	0.4
Taxes	(5.3)	5.5
Net Profit	6.6	21.2

Economy & Market Overview

Economic activity in the EU and the euro area moderated in 2018 on the back of a combination of internal and external factors. While a moderation of growth was foreseen, the slowdown in the second half of 2018 turned out to be more pronounced than expected. Growth in the euro area slipped to 0.2% in the last two quarters of 2018. As a result, GDP growth for the year 2018 as a whole is estimated to have grown by 1.9% in both the euro area and the EU

The European economy in 2018 was significantly influenced by several uncertainties like Brexit, and the trade dispute between the United States and China aiming to come to an agreement about trade tariffs and quota barriers. Although the migration crisis of the past years has calmed down, finding a common and sustainable solution to the challenge still remained one of the EU's major topics in 2018.

Over the next two years, the economy is expected to continue growing but at a slower pace. Outside the EU, activity is also slowing down amid high uncertainties, and the outlook varies for different parts of the world

In the euro area, the ECB's monetary policy has remained highly accommodative. While the ECB decided to end its net asset purchases in December 2018, significant monetary policy stimulus was still considered necessary to support the further build-up of domestic price pressures and inflation over the medium term.

Industry Structure & Development

In 2018, car production in Europe decreased by 1.7 percent. 2018 saw a slight decline in EU car export volumes (-1.6 percent) and a substantial increase in imports (+9.3 percent).

Overall in 2018, car registrations in the EU remained more or less stable compared to the year before. Due to falling demand during the last four months, full-year growth was +0.1 percent with passenger car registrations reaching 18.1 million units. Although this increase is very modest, it still marks the fifth consecutive year of growth. In Germany, the weakness in growth was due to a drop in automotive production in response to new regulations of the worldwide harmonized light vehicles test procedure (WLTP). Demand was mostly driven by the Central European countries, where new car registrations grew by 8.0% in 2018. Results were diverse among the five major EU markets, with Spain (+7.0%) and France (+3.0%) posting growth, registrations falling slightly in Germany (-0.2%) and demand contracting in Italy (-3.1%) and the United Kingdom (-6.8%) last year

According to the European Tyre and Rubber Manufacturers' Association (ETRMA) data the sale in passenger tyre (PCT) market in 2018 grew slightly compared to 2017. The All Season passenger tyre segment remained in focus by all manufacturers , with a strong growth during the year

Tyre Labels regulation review proposal is under discussion and evaluation by the involved agencies to make labels more understandable, including ice regulations and other minor changes.

The imports of PV tyres from outside Europe are still growing and continue to gain market share. The share of UHP and winter tyres in imports is increasing. Agricultural tyre sales performed poorly for the fifth year in a row (-4%).Due to European legislations of Anti-dumping duty on the imports of Truck & Bus Radial tyres from China, the imports of these tyres has dropped significantly in 2018.

Performance by market

During FY19, Company's Passenger Car Tyre volume improved over the last year in line with overall market trend. The company registered a strong improvement in SUV & Light Truck categories and continued on its strategy of premiumization. Sales growth was supported with the ramp-up of Hungarian factory during the financial year. The sales for agricultural segment improved during the year and registered market share improvement in a declining market. Truck & Bus Tyre products are well accepted and appreciated in the market. The company expects strong growth opportunities for the upcoming financial year and will be supported by ramp-up of the Hungarian factory next financial year. The company achieved overall 7% increased turnover for the year

While the company continues to be dominantly a replacement market player, its revenue share from that market slightly declined to 78% in 2018-19 versus 80% last year due to higher sales to OE market in line with its strategy to grow with OEM's. Total revenue during the year constituted 81% from Passenger car tyre, 14% from Agriculture tyres & 3% from Commercial vehicle tyres and balance 3% from other categories

Manufacturing capacity in Company's Enschede plant during the year was fully utilized for Agriculture tyres & Spacemaster tyres. Production of Passenger car tyres was lower this year as compared to last year in accordance with the market demand. Main challenge during the year has been to reduce the level of complexity. The growth strategy of the plant has been towards producing higher product mix. To cope up with the increasing market demand from Agriculture tyre segment, the company is planning expansion of its production capacity during next financial year.

Brand promotion initiatives

As strategic brand enhancement initiatives for our Vredestein Brand, The Company is partnering for last three years as main sponsor of Mille Miglia, one of the most prestigious classic car rallies in the world. As a part of this sponsorship, Company has also launched a special Mille Miglia edition of our Sprint Classic tyre

During the year, Company has launched two important new product lines in the Passenger Ultra High Performance segment, viz Wintrac Pro being Winter UHP and Quatrac Pro, being All Season UHP. Wintrac Pro was launched during the Tire Cologne, most important Tyre Fair worldwide. The event was attended by all important stakeholders from the tyre business and automotive journalist around. Vredestein Quatrac Pro is the first all-season tyre to be specially designed for the ultra-high performance (UHP) segment and premium cars. The introduction of the Quatrac Pro allows Vredestein to take a leading position in the all-season segment, with the most number of sizes available on the European market.

Test Results: During the year the company performed very well on the product quality & performance and was honored with podium positions by leading auto magazines with following test results:

- 16 inch Summer tyre Altrust was rated as 1st position by ADAC Motorwelt
- 15 inch Summer tyre Sportrac 5 was rated as 2nd position by ADAC Motorwelt
- 18 inch Summer tyre Ultrac Vorti was rated as 4th position by AutoBild & GuteFahrt
- 18 inch Summer tyre Aspire XP was rated as 4th position by GuteFahrt
- 19 inch All Season tyre Quatrac 5 was rated as 3rd position by AutoBild Allrad

The Company is leveraging our continuing sponsorship with Manchester United football club to further promote our Apollo Brand. During the course of the year we have further strengthened our recognition in all major markets through customized trade market initiatives which are well received by our partners in the trade

During the year, company further enhanced its focus on digital marketing campaigns on social media platforms e.g. facebook & linkedin with Black Friday in Germany and Netherlands, Apollo Corners and introducing the Inner Circle partnership to new markets/countries

In the Agricultural sector we successfully introduced our new compact tyres and Optimall product range, at prestigious SIMA show in Paris, France. The company also received gold medal innovation award for Optimall tyres at LAMA show, UK in January 2019. Our new generation VF (Very High Flexion) tyres sets new standards with regard to traxion, fuel efficiency, productivity and therefore total cost of ownership for the top tractor segment. This has been very well received by the market. This product range is at the same time attracting the interest of premium tractor manufacturers.

Research & Development

R&D center in Netherlands has been developing products and technology to cater mainly for European market and focuses on the development of our Passenger Car tyres. Engineering professionals with very diverse backgrounds form the backbone of our R&D. The development process is strongly linked to Manufacturing, Marketing and Sales. The organization structure is flat to facilitate and enhance cross-functional approaches and drive innovation. Development initiatives are focused on following three main pillars:

Technology:

- Extended Mobility: Development of Run Flat and Self Sealing Technology, including implementation of Tyre Sensor Technology
- Development of Ultra Low Rolling Resistance, Wet Grip Increase and Noise Reduction (Silent Tyre) to be ready for future tyre performance requirements

- Research on Vehicle dynamics and Virtual Testing by FEA-Simulations in collaboration with different Universities

Materials:
- Development and implementation of Innovative Raw Materials in the area of polymers, fillers and resins and on renewable Materials with different Universities and Suppliers
- Development of Innovative Compounds and Reinforcement including new generations of polymers, fillers and resins

Design to cost:
- Optimization of Materials to reduce product costs
- Optimization of Processes to increase Productivity

During the year, company has spent Euro 27.6 Million on R&D activities.

Company Policy

The company has implemented its strategic policy, which defines its vision, mission and way of doing business as mentioned below:

Vision
The Company is a flexible and market-oriented company that focuses on continuous innovation and the best possible deployment of competencies, aimed at improving business performance and developing talent as a foundation for successful policy.

Mission
The Company is a healthy, profitable business with a steady stream of new and innovative products of the highest quality, created by a challenging and entrepreneurial culture that encourages employees to develop and enjoy their work.

The Apollo Way
Defining values specific to the group means we can attract the right employees, customers and suppliers. It also makes for a more targeted decision-making process, which ensures that we can always act in a dedicated manner. In addition, our actions and methods become more reliable, enhancing trust and creating relationships that are longer lasting. We expect all employees to express these values in their behaviour.

Environmental Issues

There are no environmental issues outstanding.

Risk Management

The group's activities expose it to a variety of risks including 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.

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 United Kingdom, Hungary, Norway, Sweden, Poland, Switzerland and the United States. 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.

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 has a €25 Mill headroom under the working capital facility, and is well within the agreed covenants as defined in the 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. 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 worldwide 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.

Each business risk is measured on a scale of 1 to 25 for two key parameters likelihood and impact. Combined score of these two criterions is considered to decide the overall risk rating of low, medium or high as under:

- Low: Risk score up to 4
- Medium: Risk score from 5 to 11
- High: Risk score from 12 to 25

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 2019, committee has reported following risks and mitigation plans to the board:

Risk No.	Category	Function	Risk identified	Likelihood/ Impact	Mitigating controls of management
1.	Strategic	Sales	Customer base Consolidation	High	Enhance distribution & Brand strategy and generate pull effect
2.	Operational	IT	Achieving IT roadmap	High	Compliance management projects and resource augmentation to realise roadmap
3.	Operational	Manufacturing	Achieve budget output and cost / efficiency KPI's	Medium	Regular review with Supply Chain to ensure ticket adherence and follow up of preventive maintenance plan
4.	Strategic	OE Business	Enhanced customer expectations	Medium	Identify, select and strengthen focus areas in activities related to R&D and Quality

Development in Human Resources & Industrial Relations

Labour market and employment issues

The European labour market is increasingly tight with low level of unemployment. This is mainly visible in the northern part of Europe and Hungary. A mitigating action plan is put in place. Both in Netherlands and Hungary it's challenging to find appropriate candidates with experience in the tyre industry. The company decided to search for employees with the appropriate education and skills to be developed on the job. On top the dual education initiatives in both Hungary and the Netherlands are a good way to attract, develop and retain capable workforce

A new pension plan for all Netherlands based employees was agreed during the year. The agreement was closed cost neutral and is innovative in its kind. Social partners, the unions, as well as our employees responded positively to this new plan.

As the group continues on growth path, human resources are a key factor for success. The company seeks to create a mutually beneficial nurturing environment where employees experience personal and professional growth even as they work towards organisational goals. The average number of employees decreased from 1719 as on March-18 to 1710 as on March-19.

The company launched an engagement survey in 2018 within Europe second year in a row. The results were shared and focus groups were held by function to look at areas of improvement and create relevant action plans.

Training & Development initiatives

Company's performance management system 'HORIZON' continues to enable the business to survey the training and development needs.HR function continued to collate and facilitate various training & development needs to create the future organisation.

The Enschede plant focused mainly on obligatory training. Two new groups started their two-year Operator training program, which lead to a nationally acknowledged diploma. Forklift training and first responder training were executed successfully.
Internally, lean- and TOC (theory of constraints) programs were rolled-out. With support of HR a group of engineers across the Enschede plant started the 'Imagineering' platform. Within

this platform engineers from different departments catch up on a voluntary basis, organizing quarterly events like company visits and internal workshops

Safety, Health, Wellbeing & Environment
Working in a safe and healthy environment with a maximum focus on wellbeing will continue to be a precondition for the success of our company. We will also continue with the theme of vitality and employability.

Enschede Plant
On the journey to become a zero accident plant an intensive program is started to improve intrinsic machine safety and Behaviour Based Safety is implemented to create more employee awareness about safety.
A successful safety week was held during the year and company is continuously investing to ensure the safest work environment for its employees

Bio-diversity: A project was set up in collaboration with municipality of Enschede to solve the existing problems with rainwater and groundwater nuisance and to improve the living environment of the area, called "Stadsbeek". This is done by constructing a "city "stream with a total length of 8 kilometres, which is realised in several phases, spread over a period of 4 years. Company participated in this project to make a meaningful contribution to the promotion of biodiversity, preferably in the vicinity of the plant in Enschede

Green energy: Feasibility studies are executed to significantly lower natural gas consumption by using steam generated by biomass. The last steps have to be made to work out a flexible steam delivery with related commercial obligations

Social responsibility and/or corporate philanthropy

The WEP initiative is supported by Apollo in the Netherlands and is part of the social responsibility policy and CLA agreements. It offers unemployed people the opportunity to gain work experience at the company and increase their chances of sustainable employment. The initiative is focused on people with a disadvantage on the labour market. On an annual basis we offer working experience to 10 un-employed people within our company

Philanthropic projects
Our employees had the opportunity to donate their Christmas gift for a good cause. This year 30 employees donated their gift to the 'Voedselbank', a charity organisation that provides food to people with small budgets. Every employee also donates 3 euro of his end of year allowance for the good cause. Employees can suggest a charity organization where to donate. Last year the total amount of donations was divided amongst 5 foundations.

Industrial relations
The company has three Employees' Unions and the Management holds regular meetings with Union representatives to brief them about operational performance of the company and future plans. The company has a Works council, which is involved in the operations and plans. Team HR has worked hand in hand with Unions & Works Councils in Europe and the relationship continues to be strong and will go a long way to develop the organisation in line with our strategic ambition.

Sustainability related information

Having due regard to the company's current financial position together with its forecast results, cash flow and financial position in the coming year, the directors confirm that the company has the resources to continue in operational existence for the foreseeable future.

Sustainability related information

Having due regard to the company's current financial position together with its forecast results, cash flow and financial position in the coming year, the directors confirm that the company has the resources to continue in operational existence for the foreseeable future. Our aim is to meet the needs of our stakeholders in ways that are economically, environmentally and socially responsible.

Outlook

Economic Outlook
According to the projections of the European Commission, EU's GDP growth is expected to slow to 1.5 percent in 2019, before rising slightly to 1.7 percent in 2020.
Forecasts show that the inflation is going to moderate to 1.6 percent in 2019 and then slightly increase to 1.8 percent in 2020. Despite the expected slowdown in EU economic growth, the labour market outlook remains positive. The unemployment rate is projected to remain relatively low and job creation will continue at a slower rate as the economy cools down. According to the European Commission's latest estimates the unemployment rate is forecasted at 6.6 percent in 2019 and 6.3 percent in 2020. Uncertainty related to global trade and the slowdown of China's economy are expected to have a negative impact on the EU economic growth. In addition, concerns about migration to the EU and Britain exiting from the EU remain. Some of the major topics of 2018 will influence the near future, such as possible import tariffs, the trade tensions between the US and China, the uncertainties related to Brexit and fluctuating crude oil and fuel prices. A more permanent weakness of retail sales in China and other emerging markets will add further downside pressure to the market too.

For the upcoming financial year, company plans to introduce more new products in the market across all product segments including size extensions of existing Products. Cost reduction & optimization will be major theme in the coming financial year with major focus on Manufacturing, Logistic Costs and Overheads in all other functions. Working Capital efficiency will be another focus area. The Company is well placed to further strengthen its position in market and continue on its journey of Profitable growth.

The company has a diverse composition of employees in nationality, age, gender, education and work background. Currently the Company does not have any female members in the Board. The Company shall be making efforts to appoint female members to its Board.

Developments after March 31, 2019

There is no significant development.

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, 17th May , 2019

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 x1,000)	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	146.156	151.360
Intangible assets	4	59.068	54.923
Deferred tax assets	5	2.294	2.299
Other non-current assets	6	172	1.536
Total non-current assets		**207.690**	**210.118**
Current assets			
Inventories	7	110.006	91.597
Trade receivables	8	87.891	121.780
Cash and bank balances	9	18.130	13.725
Other current assets	10	4.011	3.993
Derivative financial assets	13	4.586	7.829
Corporate Advance tax paid	11	7.251	3.018
Total current assets		**231.876**	**241.943**
Total assets		**439.566**	**452.061**

(Euro x1,000)	Notes	As at 31 March 2019	As at 31 March 2018
Equity and liabilities			
Total group equity	12	**251.090**	**270.418**
Non-current liabilities			
Deferred tax liability	5	27.404	30.925
Pension liabilities	14	9.456	9.779
Provisions	15	2.189	2.124
Total non-current liabilities		**39.049**	**42.829**
Current liabilities			
Trade and other payables	16	144.306	129.769
Derivative financial liabilities	13	4.625	7.780
Corporate Income Tax Payable	11	495	1.265
Total current liabilities		**149.427**	**138.814**
Total equity and liabilities		**439.566**	**452.061**

Consolidated statement of income

(Euro x1,000)	Notes	Period ended 31 March 2019	Period ended 31 March 2018
Revenue	19	505.038	471.617
Other Income	20	496	276
Total Income		**505.534**	**471.893**
Changes in inventories of finished goods and work in progress	21	-16.571	-14.827
Raw materials and Purchase of Finished goods	22	268.216	216.886
Employee expenses	23	130.599	130.574
Depreciation and amortisation expenses	24	23.275	19.964
Other expenses		98.118	92.254
Total expenses		**503.636**	**444.851**
Profit before interest and taxes		**1.898**	**27.042**
Interest expense	25	-587	-723
Interest income	25	14	346
Profit before taxes		**1.325**	**26.665**
Income tax expense	26	5.353	-5.502
Profit for the year		**6.678**	**21.163**

Consolidated statement of comprehensive income

(Euro x1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Profit for the year	**6.678**	**21.163**
Items that will never be reclassified to profit and loss		
Actuarial gains or losses on pension plans gross	-255	507
Tax effect on actuarial gains and losses	74	-147
Items that are or may be reclassified to profit and loss		
Translation differences on foreign operations	121	1.318
Other	-	-6
	-60	**1.672**
Total comprehensive income for the year	**6.618**	**22.835**

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

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Consolidated statement of changes in equity

(Euro x 1,000)	Issued Capital	Share premium reserves	Translation of foreign operations	Legal Reserves	Actuarial gains or losses on pension plans	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2017	**43**	**20.226**	**-867**	**26.286**	**-6.066**	**211.404**	**32.961**	**283.987**
Opening balance adjustment								
Profit for the period							21.163	21.163
Other comprehensive income, net of income tax			1.318		360	-6		1.672
Dividends						-36.404		-36.404
Transfers to and from reserves				10.128	4.280	18.553	-32.961	-
Total as at 31 March 2018	**43**	**20.226**	**451**	**36.414**	**-1.426**	**193.547**	**21.163**	**270.418**
Opening balance adjustment						-3.045		-3.045
Profit for the period							6.678	6.678
Other comprehensive income, net of income tax			121		-181			-60
Dividends						-22.900		-22.900
Transfers to and from reserves				6.060	-	15.103	-21.163	-
Total as at 31 March 2019	**43**	**20.226**	**572**	**42.474**	**-1.607**	**182.705**	**6.678**	**251.090**

The Legal reserves of the company (Translation of Foreign Operations, Legal Reserves (Development) & Actuarial gain/loss on Pension) are non-distributable.

During the Financial year 2018-2019, the Group identified certain adjustments required to be made for previous years in the tax allocation amongst various Dutch entities within the fiscal unity. These adjustments were related to Tax Assets (EUR 0.4 Mn), Tax/Deferred Tax Liabilities (EUR 2.6 Mn) & net Tax impact of EUR 3.0 Mn. It is considered not practicable to restate the prior period statements for the effect of these tax positions.

Consolidated statement of cash flows

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Profit before tax for the year	1.325	26.665
Depreciation and amortisation	23.275	19.964
Interest	573	377
Non-Cash Items	-68	1.451
Cash flows from operating activities	**25.105**	**48.458**
Movements in working capital		
Decrease /(increase) in inventories	-18.409	-12.395
Decrease /(increase) in Trade receivables	33.889	2.179
Decrease /(increase) in other non-current assets	1.368	-130
Decrease /(increase) in other current assets	-4.251	-245
(Decrease)/increase in current liabilities	23.316	39.775
(Decrease)/increase in non-current liabilities	-3.779	-
Cash increase due to working capital	**32.134**	**29.184**
Cash generated from operations	**57.240**	**77.642**
Net tax paid	**-4.195**	**-5.621**
Net cash generated by operating activities	**53.044**	**72.021**
Cash flows from investing activities		
Payments for property, plant and equipment	-10.774	-9.236
Capitalization intangibles	-11.491	-13.885
Proceeds from disposal of property, plant and equipment	50	212
Net cash (used in) /generated by investing activities	**-22.215**	**-22.909**
Cash flows from financing activities		
Dividend paid	-22.900	-36.404
Repayment of Borrowings – short term	-	-36.676
Proceeds from intercompany loan	-	30.217
Interest received	14	346
Interest paid	-432	-723
Net cash used in financing activities	**-23.318**	**-43.240**
Other comprehensive income	-60	1.672
Adjustment opening balance Retained earnings	-3.045	-
Net decrease/increase in cash and cash equivalents	4.406	7.544
Cash and cash equivalents at the beginning of the financial year	13.725	6.180
Cash and cash equivalents at the end of the financial year including bank overdraft	**18.130**	**13.725**

Notes to the consolidated annual accounts for 2018-19

1. General information

Apollo Vredestein B.V. is a private company with limited liability, incorporated in Enschede, the Netherlands. The registered office address of Apollo Vredestein B.V. is IR E L C Schiffstraat 370, 7547 RD Enschede, The Netherlands. Apollo Vredestein B.V. is registered in the Dutch trade register under number 34223268. As at reporting date, Apollo Tyres B.V. owns 100% of the shares in Apollo Vredestein B.V. The ultimate parent of Apollo Vredestein B.V. is Apollo Tyres Ltd., India. Apollo Tyres Ltd. files its annual report with Bombay Stock Exchange (India). Apollo Vredestein B.V. concentrates on manufacturing, marketing, sales and distribution of tyres and supplies tyres for passenger cars, commercial vehicles, agricultural and industrial vehicles and bicycles. The company's distribution network extends through Europe. The company's products are also sold in North America. The 2018-2019 financial statements are prepared by the Board of Directors and authorized by the Supervisory Board on May 17, 2019 and will be submitted for adoption to the general meeting of shareholders.

2. 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 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. Comparative figures have been adjusted retrospectively.

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

New Standards and interpretations

The company has initially applied IFRS 15 (see A) and IFRS 9 (see B) from 1 April 2018. Due to the transition methods chosen by the company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables (see B).

There is no material impact on the Group's balance sheet or equity from applying the classification and measurement requirements of IFRS 9. Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, and shown at amortised cost which is consistent with IAS39. IFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group applies the simplified approach and records lifetime expected losses on all trade receivables.

A number of other new standards are also effective from 1 April 2019, but they do not have a material effect on the company's financial statements.

— IFRIC 23 Uncertainty over Tax Treatments.

— Prepayment Features with Negative Compensation (Amendments to IFRS 9).

— Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).

— Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).

— Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards.

— Amendments to References to Conceptual Framework in IFRS Standards.

— IFRS 17 Insurance Contracts.

A. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017/18 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

IFRS 15 did not have a significant impact on the company's accounting policies. Therefore, there is no adjustments for the effect of initially applying IFRS 15 on retained earnings and NCI at 1 April 2018. For additional information about the company's accounting policies relating to revenue recognition, see Note 2.5.

B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The company has applied IFRS 9 initially on 1 April 2018.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities and derivative financial instruments.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at 1 April 2018.

There have been no changes in the value following the new measurement:

	Original classification under IAS 39	New classification under IFRS 9
Financial assets		
Derivative financial instruments	Held-for-trading	Mandatorily at FVLPL
Trade receivables	Loans and receivables	Amortised costs
Other current assets	Loans and receivables	Amortised costs
Corporate income tax	Loans and receivables	Amortised costs
Cash and cash equivalents	Loans and receivables	Amortised costs
Financial liabilities		
Borrowings	Other financial liabilities	Other financial liabilities
Derivative financial instruments	Held-for-trading	Mandatorily at FVLPL
Trade payables and other current liabilities	Other financial liabilities	Other financial liabilities
Corporate income tax	Other financial liabilities	Other financial liabilities
Other taxes and social security charges	Other financial liabilities	Other financial liabilities

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. The allowance for impairment over these receivables was not materially impacted on transition to IFRS 9.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The new 'expected credit loss' impairment model did not result in materially higher credit loss allowances for the expected lifetime credit losses.

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

Standards and interpretations effective and not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 31 March 2018, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the company are set out below. The company does not plan to adopt these standards early.

IFRS 16 Leases
The company is required to adopt IFRS 16 Leases from 1 April 2019.

This standard replaces IAS 17, Leases. Key changes include:

a. Eliminates the requirement to classify a lease as either operating or finance lease in the books of lessee
b. Introduces a single lessee accounting model, whereby requires lessee to recognize assets and liabilities for all leases. Entity may elect not to apply this accounting requirement to short term leases and leases for which underlying asset is of low value
c. Requires lessee to classify cash payments for principal and interest portion of lease arrangement within financing activities and financing/operating activities respectively in the cash flow statements

d. Requires entities to determine whether a contract conveys the right to control the use of an identified asset to assess whether that contract is, or contains, a lease

Leases in which the Group is a lessee

The company will recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

2.2. Basis for Consolidation

The consolidated financial statements include the financial statements of Apollo Vredestein B.V. and its subsidiaries, being the entities controlled by Apollo Vredestein B.V. Control is achieved where Apollo Vredestein 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 Vredestein 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 Vredestein B.V. loses control. Apollo Vredestein B.V. did not lose control of any subsidiary during the reporting period. There are no significant restrictions on the ability of group to access or use the assets and settle the liabilities of the group. 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 Vredestein 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 2019	As at 31 March 2018
Vredestein Consulting B.V., Enschede - The Netherlands	100%	100%
Finlo B.V., Enschede - The Netherlands	100%	100%
Vredestein marketing B.V., Enschede - The Netherlands	100%	100%
Apollo Vredestein Belux SA, Brussels – Belgium	100%	100%
Apollo Vredestein GmbH, Vallendar - Germany	100%	100%
Vredestein Marketing Agentur, Schönefeld – Germany [2]	-	100%
Apollo Vredestein Limited, Kettering – United Kingdom	100%	100%
Apollo Vredestein France SAS, Paris – France	100%	100%
Apollo Vredestein Italia Srl, Rimini – Italy [1]	-	100%
Apollo Vredestein Gesellschaft GmbH, Vienna – Austria	100%	100%
Apollo Vredestein Iberica SA, Cornellà de Llobregat – Spain	100%	100%
Vredestein Nordic AB, Hisings Backa - Sweden	100%	100%
Apollo Vredestein Schweiz AG, Baden –Switzerland	100%	100%
Apollo Vredestein Kft, Budapest - Hungary	100%	100%
Apollo Vredestein Opony Polska, Warsaw - Poland	100%	100%
S.C. Vredestein RO S.R.L. Romania	100%	100%

Apollo Vredestein B.V. is part of the Apollo Tyres Ltd group, based in Gurgaon, India. All transactions with related parties within the Apollo group are based on regular business activities, following arms' length principle.

Notes:

1. Apollo Vredestein Italia Srl, Rimini – Italy was in voluntary liquidation with effect from April 1st, 2017, with the liquidation process finalised on 12.12.2018.
2. Vredestein Marketing Agentur, Schönefeld - Germany has finalized its merger with Apollo Vredestein Gmbh on 31.01.2019.

2.3 Foreign currency

The balance sheet and income statement are stated in euros, which is the functional currency of Apollo Vredestein 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 Estimates

Apollo Vredestein B.V. makes certain estimates and assumptions when preparing the consolidated financial statements. 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 Vredestein B.V. These estimates only represent Apollo Vredestein B.V.'s interpretation as of the dates on which they were prepared.

2.5 Net sales / Revenue recognition

The company has initially applied IFRS 15 from 1 April 2018. The effect of initially applying IFRS 15 is described in Note 2.1.

Net sales represent the income from the supply of goods, after deduction of discounts, credit notes and the like, taxes levied on revenue, and elimination of intra-group sales.

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.

Revenue is recognised either at a point in time or over 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. When the company acts an agent with a performance obligation to arrange for the provision of the specified good or service by another party, then revenue is recognised in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

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.

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.

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.

2.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

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 expected useful lives are reviewed at each reporting date, and if they differ materially from previous estimates, the depreciation schedules are changed accordingly.

Assets held for sale are valued at the lower of book value and market 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. 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 applicable, 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 Vredestein 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 Vredestein 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 proceeds or value to the business, 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. Impairment testing for brand names results in more than significant head room. In that case, the impairment is accounted for as a reduction of revaluation.

2.11 Inventories

Raw materials and consumables are valued at the lower of purchase price and net realizable value. The purchase price is calculated according to the "first in first out" method. The net realizable value is the estimated sales price less the estimated selling expenses. Finished products and goods in progress are valued at the lower of cost and net selling price. General costs not relating to production, sales and financing costs are not taken into account.

Standard cost is applied to finished goods and includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity.

Finished goods inventory is valued at the lower of Cost and Net realisable value. Net realisable value is the higher of net selling price and the value in use.

2.12 Financial instruments

I. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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 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 – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; 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 amortised 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 amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 13). On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised 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: Policy applicable from 1 April 2018

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 realising 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: Policy applicable from 1 April 2018

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 recognised 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 recognised 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 realise 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 recognised 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 recognised in the profit and loss account.

VI. Impairment

Non-derivative financial assets: Policy applicable from 1 April 2018

Financial instruments and contract assets

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

- financial assets measured at amortised 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 amortised 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 amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

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 Vredestein B.V

At reporting date, employees of Apollo Vredestein B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance company. Apollo Vredestein 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 Vredestein GmbH

At reporting date, employees of Apollo Vredestein 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. 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

2.14 Provisions

Provisions are set aside to cover present legal or constructive obligations, arising from events on or before the balance sheet date, where it is likely that the company will have to meet these obligations and to the extent that the obligations can be estimated reliably. The level of the provisions reflects the best estimate of Apollo Vredestein B.V. on the balance sheet date, regarding expected expenditures. If material, the liabilities are discounted to their present value. Provisions are recognized when a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reliably estimated. Provisions are recognized when it is probable that an outflow of economic resources will be required and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

2.15 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.

2.16 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.

2.17 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

2.18 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.

2.19 Information by segment

IFRS 8 requires Apollo Vredenstein 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 Vredenstein B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

2.16 Subsequent events

The company has no subsequent events.

3. Property, plant and equipment

(Euro x 1,000)	Land & accommo dations	Building	Moulds & formers	Assets under con-traction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2017	**18.822**	**52.155**	**89.739**	**6.696**	**9.034**	**415.528**	**591.975**
Reclassifications Investments							
Additions	196	111	4.832	-626	152	4.571	9.236
Disposals		-135			-12	-5.101	-5.248
Balance as at 31 March 2018	**19.018**	**52.131**	**94.571**	**6.070**	**9.173**	**414.998**	**595.962**
Reclassifications Investments		553				-553	-
Foreign currency translation difference		-17			11	-3	-9
Additions			4.934	2.149	82	3.609	10.774
Disposals			-12.552		-99	-2.985	-15.635
Balance as at 31 March 2019	**19.018**	**52.667**	**86.954**	**8.219**	**9.168**	**415.067**	**591.092**
Accumulated depreciation							
Balance as at 31 March 2017	**2.025**	**30.269**	**83.166**		**5.742**	**313.329**	**434.531**
Depreciation for financial year	143	925	3.562		592	9.905	15.128
Disposals		-135				-4.969	-5.104
Foreign currency translation difference		47					47
Balance as at 31 March 2018	2.169	31.106	86.728		6.334	318.266	444.602
Balance as at 31 March 2018	**16.850**	**21.025**	**7.844**	**6.070**	**2.840**	**96.733**	**151.360**
Depreciation for financial year	160	938	4.072		594	10.164	15.928
Disposals			-12.520		-94	-2.985	-15.928
Foreign currency translation difference					6	-2	4
Balance as at 31 March 2019	2.329	32.043	78.280		6.840	325.443	444.936
Balance as at 31 March 2019	**16.689**	**20.623**	**8.674**	**8.219**	**2.328**	**89.623**	**146.156**

Property, plant and equipment are primarily valued at cost. The tangible fixed assets have an assessed value of EUR 436 million for insurance purposes as at 31 March 2019.

4. Intangible Assets

(Euro x 1,000)	Develop-ment	Brand names	Software	Total
As at 31 March 2017				
Cost	57.023	12.900	23.190	93.113
Depreciation	-30.737	-	-16.502	-47.239
Book value	**26.286**	**12.900**	**6.688**	**45.874**
Changes in book value				
Investments	13.078	-	806	13.885
Depreciation for financial year	-2.950	-	-1.886	-4.835
Balance	**10.128**	**-**	**-1.079**	**9.049**
As at 31 March 2018				
Cost	70.101	12.900	23.997	106.998
Depreciation	-33.687	-	-18.388	-52.075
Book value	**36.414**	**12.900**	**5.609**	**54.923**
As at 31 March 2018				
Cost	70.101	12.900	23.997	106.998
Depreciation	-33.687	-	-18.388	-52.075
Book value	**36.414**	**12.900**	**5.609**	**54.923**
Changes in book value				
Investments	11.460	-	31	11.491
Divestments				
- Acquisition value			-25	25-
- Depreciation			25	25
Depreciation for financial year	-5.401	-	-1.946	-7.347
Balance	**6.059**	**-**	**-1.915**	**4.144**
As at 31 March 2019				
Cost	81.561	12.900	24.003	118.465
Depreciation	-39.088	-	-20.309	-59.397
Book value	**42.474**	**12.900**	**3.694**	**59.068**

An impairment test on the Brand names was carried out as at Mar 31, 2019, details of the test are outlined in table below. Based on the present value calculation, no impairment deemed necessary

Test method	"Relief from Royalty method" – American Appraisal
Discount Rate	9.1%
Growth Rate	0% - 2.0%
No. of years for which cash flows where considered to calculate DCF	5 years
Book Value (Eur'000)	12.900
Test Result	No Impairment Loss

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The estimate of recoverable amount for brand is particularly sensitive to the Growth rate If the growth rate used is nil then an impairment of EUR 0.7 million would have to be recognised. 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.

5. Deferred tax

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Deferred tax asset movement		
At beginning of the year as previously reported	2.299	2.150
Current year charge	-5	148
At end of the year	**2.294**	**2.299**

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Deferred tax liability movement		
At beginning of the year as previously reported	30.925	32.846
Current year charge	-3.521	-1.921
At end of the year	**27.404**	**30.925**

Deferred tax	Period ended 31 March 2019	Period ended 31 March 2018
Deferred tax assets:		
Tax losses carried forward	343	242
Pension benefit plans and jubilee provision	1.436	2.056
Others	515	-
Total deferred tax asset	**2.294**	**2.299**
Deferred tax liability		
Property, plant and equipment	26.696	24.658
Brand names	707	5.095
Pension benefit plans		1.173
Valuation subsidiaries	1	-
Total deferred tax liability	**27.404**	**30.925**
Net deferred tax liability	**25.110**	**28.626**

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.

6. Other non-current assets

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Rent deposits	**172**	**1.536**

7. Inventories

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Raw materials	8.959	7.252
Work in progress	7.395	3.903
Finished goods	63.916	49.766
Stock-In-Trade	20.983	22.053
Consumable stores	8.753	8.623
Total	**110.006**	**91.597**

Part of inventories have been ceeded 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 252 million. Inventories include an allowance for slow moving/obsolete stock of EUR 1.1 million (2018:0.8 million).

8. Trade receivables

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Trade receivables	92.554	126.588
Allowance for doubtful debts	-4.663	-4.808
Total	**87.891**	**121.780**

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 and customer loses the incentive if not paid in time. Apollo Vredestein 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 Vredestein 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 D&B 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 2019 includes an amount of EUR 32.3 million received under the Non Recourse Purchase of Eligible Receivables agreement

Ageing of past due but not impaired receivables

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
0 - 60 days	11.023	9.431
61 - 180 days	1.674	1.184
more than 180 days	169	194
Total	**12.866**	**10.809**

The total not past due for FY 2018-2019 amounts to EUR 75 million. This amount includes an amount of EUR 14.9 million due from Apollo Group companies.

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-4.808	-3.406
Movement to allowance recognized in statement of income	-257	-1.725
Amounts written off during the year as uncollectible	402	323
Balance at end of year	**-4.663**	**-4.808**

9. Cash and bank balances

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Cash at bank	**18.130**	**13.725**

Cash is at free disposal of the company. Negative balances are included as debt (see note 17).

10. Other current assets

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Prepayments	2.801	2.761
VAT recoverable	1.187	812
Other receivables	23	420
Total	**4.011**	**3.993**

11. Corporate tax (receivable/payable)

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Corporate Advance Tax Paid	7.251	3.018
Provision for tax	-495	-1.265
Net corporate tax position	6.755	1.753

The corporate income tax position are netted by country and jurisdiction.

12. 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.

13. Derivative financial assets and liabilities

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Current assets relating to derivative financial instruments	4.586	7.829
Current liabilities relating to derivative financial instruments	4.625	7.780
Total net position	**-39**	**49**

All derivatives relate to forward foreign currency contracts The carrying amounts of the various derivatives at 31 March 2019 were equal to their fair values.

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

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

14. Pension Liabilities

The pension liability as recorded in the balance sheet relates to the defined benefit plan of Apollo Vredestein GmbH in Germany and defined contribution plan of Apollo Vredestein B.V. in the Netherlands. For the defined benefit plan an actuary of a certified actuarial firm performed plan of Apollo Vredestein GmbH an actuarial calculation.

The Dutch pension fund was liquidated during the year and the plan is transferred to the insurer as a direct insured plan on the same conditions.

The liability from the Defined Contribution Plan is based on an agreement from 2005 in which the company agreed to fund 800k annually for a period of 15 years to increase the indexation capacity of the pension plan.

The pension liability Apollo Vredestein 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 2005 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.

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Pension liabilities		
Defined benefit plan	8.652	8.286
Defined contribution plan	804	1.493
At end of the year	**9.456**	**9.779**

Extracts of defined benefit plan are as follows:

Assumptions Apollo Vredestein GmbH	Period ended 31 March 2019	Period ended 31 March 2018
Inflation	1.75%	1.75%
Indexation non-active members	1.75%	1.75%
Mortality table	Heubeck 2005G	Heubeck 2005G
Individual salary increase (dependent on age)	3%	3%
Discount rate	1.80%	1.90%

Defined benefit pension plan (Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation		
Balance at beginning of the year	-8.286	-8.447
Service costs	-222	-293
Interest expense	-155	-150
Benefits paid	265	269
Remeasurements due to experience	-6	182
Remeasurements due to demographic assumptions	-96	
Remeasurements due to change in financial assumptions	-152	151
Balance at end of year	**-8.652**	**-8.286**

Net balance pensions liability		
Defined benefit obligation		
Plan assets		
Unfunded status	**-8.652**	**-8.286**
Net balance pensions liability	**-8.652**	**-8.286**

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Movement of net liability		
Balance at beginning of the year	**-8.286**	**-8.447**
Service cost		
Past service cost		
Current service cost	-222	-293
Interest expense	-155	-150
Defined benefit cost recognized in profit and loss	-377	-443
Defined benefit cost recognized in OCI	-181	360
Benefits paid / contributions paid	265	269
Other adjustments	-73	-25
Balance at end of the year	**-8.652**	**-8.286**

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%	-15.65%
Salary increase	Increase by 0.50%	+1.55%
Inflation	Increase by 0.25%	+3.15%

Maturity profile (Euro x 1,000)	
Expected payments during fiscal year ending 31/03/2020	281
Expected payments during fiscal year ending 31/03/2021	282
Expected payments during fiscal year ending 31/03/2022	284
Expected payments during fiscal year ending 31/03/2023	284
Expected payments during fiscal year ending 31/03/2024	289
Expected payments during fiscal year ending 31/03/2025 through 31/3/2029	1.622

Analyses of Defined Benefit Obligation by Participant Category (Euro x 1,000)	
Active participants	2.935
Deferred participants	1.280
Pensioners	4.436

Expected Contributions for the period ending 31 March 2019	
Employer	0
Plan participants	0

Weighted average Duration of Defined Benefit Obligations: 17.41 years

Asset information	Allocation percentage 31 March 2019 Quoted	Allocation percentage 31 March 2019 Unquoted	Allocation percentage 31 March 2019 Total
Equity securities			
Debt securities			
Real estate/property			
Cahs and cash equivalents			
Derivatives			
Other		**100%**	**100%**
Total		**100%**	**100%**

15. Provisions

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Jubilee benefits	2.189	2.124
Total Provisions	**2.189**	**2.124**

Movement in the Jubilee provision

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Opening balance	2.124	2.126
Movements in Jubilee benefits	65	-2
Closing balance	**2.189**	**2.124**

Jubilee Benefits
There is a jubilee scheme in place for all employees of Apollo Vredestein 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 Mar 31, 2019, following was considered:

Salary Increase: 2.5%, Discount Rate 1.5%, Retirement Age: 65 years and Retention rate: 6.4%

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

16. Trade and other payables

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Trade payables	39.520	38.077
Payable to related parties	58.360	41.161
Sales deductions	9.958	8.237
Interest accrued but not due	30	119
Tax & social premiums	5.127	8.197
Other employees payable	2.322	1.952
13th month	1.291	1.298
Leave pay	2.661	2.368
Holiday allowance	3.045	3.008
Other payables and accruals	21.992	25.352
Total trade and other payables	**144.306**	**129.769**

The credit period on purchases generally ranges from 15 days to 60 days. Apollo Vredestein B.V. has financial risk management policies put in place to ensure that all payables are paid within the pre-agreed credit terms.
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.

17. Borrowings

The Revolving Credit Facility (RCF) agreement of Apollo Vredestein B.V. with ABN AMRO and Cooperative Rabobank has been settled during the year. There has been a new Revolving Credit Facility (RCF) entered with Coöperatieve Rabobank. At 31 March 2019, amount drawn under this facility was NIL.

The interest rate is based on the 1 month EURIBOR figure plus a margin. Apollo Tyres B.V. minimizes liquidity risk with the help of an accurate liquidity forecast.

Company's parent Company (Apollo Tyres B.V.) and sister Company (Apollo Tyres Hungary Kft.) have signed a financing agreement for a long term loan (EUR 300 Million) with a consortium of banks (ABN AMRO BANK N.V., MAGYAR EXPORT-IMPORT BANK ZRT, RAIFFEISEN BANK ZRT, STANDARD CHARTERED BANK and UNICREDIT BANK HUNGARY ZRT) for investing in the new plant in Hungary. The undrawn part of this loan facility (EUR 50 million) was cancelled in April 2018. The credit facility is available for Apollo Tyres B.V. (50%) and Apollo Tyres Hungary Kft. (50%). The Company 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.

18. Gearing Ratio

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Net debt	-18.130	-13.725
Equity	251.090	270.418
Net debt to equity ratio	0%	0%

Net debt is defined as the sum of the borrowings and cash and bank balances (see note 9). As per 31 March 2019 the company had no borrowings

19. Revenue

IFRS 8 requires Apollo Tyres 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 B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

20. Other Income

(Euro x 1,000)	**Period ended 31 March 2019**	**Period ended 31 March 2018**
Royalty Income	31	83
Others	465	192
Total	**496**	**276**

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

(Euro x 1,000)	**Period ended 31 March 2019**	**Period ended 31 March 2018**
Opening Stock		
Work in progress	3.903	3.573
Stock-in-trade	22.053	13.585
Finished goods	49.766	43.737
	75.722	**60.895**
Closing Stock		
Work in progress	7.394	3.903
Stock-in-trade	20.983	22.053
Finished goods	63.916	49.766
	92.293	**75.722**
Changes in work in progress and finished goods	**-16.571**	**-14.827**

22. Raw materials and consumables used

(Euro x 1,000)	**Period ended 31 March 2019**	**Period ended 31 March 2018**
Raw materials consumed	93.249	112.566
Purchase of finished goods	174.967	104.320
Total	**268.216**	**216.886**

23. Employee expenses

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Wages, salaries and welfare	105.584	106.942
Pension & social contribution	25.015	23.632
Total employees cost	**130.599**	**130.574**

Pension & social contribution include company pension expenses (see note 14).

24. Depreciation and amortisation expenses

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Amortisation of intangible assets	7.347	4.836
Depreciation of property, plant and equipment	15.928	15.128
Total costs	**23.275**	**19.964**

25. Interest

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Interest expenses	587	723
Interest income	-14	-346
Total	**573**	**377**

26. Income tax expense

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Current taxation	-807	5.900
Deferred taxation	-4.546	-398
Total	**-5.353**	**5.502**

Apollo Vredestein B.V. forms part of the fiscal unity with Apollo Coöperatief U.A. , head of the fiscal unity. Apollo Vredestein 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 2019	Period ended 31 March 2018
Income before taxes	1.325	26.665
Tax based on Dutch tax rate	331	6.666
Reduction in tax rate	-5.614	-
Higher statutory rate of foreign countries	-51	507
Non-deductible expenses	311	-
Dutch R&D tax incentive(innovation box)	-37	-1.670
Recognition of tax effect on previously unrecognised tax losses	-279	-
Other	-14	-
Total	**-5.353**	**5.502**

The tax effects related to components of other comprehensive income is:

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Actuarial gains and losses on pension plans	74	-147

Below is the detail for the current year deferred taxation:

(Euro x 1,000)	Period ended 31 March 2019
Tax effect of items constituting deferred tax liabilities:	
Deviating valuation property, plant and equipment	-3.544
Deviating valuation intangible assets	-896
Tax effect of items constituting deferred tax assets:	
Carried forward tax loss	-165
Deviation valuation employee benefits	25
Other	34
	-4.546

27. Financial assets by category

As at 31 March 2019 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	18.130			**18.130**
Trade receivables	87.891			**87.891**
Derivative financial assets		4.586		**4.586**
Other current assets	4.011		-	**4.011**
	110.032	**4.586**	**-**	**114.619**

As at 31 March 2018 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	13.725			**13.725**
Trade receivables	121.780			**121.780**
Derivative financial assets		7.829		**7.829**
Other current assets	3.993		-	**3.993**
	139.498	**7.829**	**-**	**147.327**

28. Financial liabilities by category

As at March 2019 (Euro x1,000)	FVTOCI	Amortised costs	FVTPL	Total
Pension liabilities	9.456			**9.456**
Trade and other payables	-	144.306		**144.306**
Derivative financial liabilities			4.625	**4.625**
	9.456	**144.306**	**4.625**	**158.387**

As at March 2018 (Euro x1,000)	FVTOCI	Amortised costs	FVTPL	Total
Pension liabilities	9.779			**9.779**
Trade and other payables	-	129.769		**129.769**
Derivative financial liabilities		-	7.780	**7.780**
	9.779	**129.769**	**7.780**	**147.328**

29. Risk management

General

For our 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 Vredenstein 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 Vredestein 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 Vredestein 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 Vredestein B.V. and the credit ratings of its counterparties. A Risk Management Steering Committee, headed by the CEO 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 recognised because of collateral.

The company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

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 2019	As at 31 March 2018
Cash and cash equivalents	18.130	13.725
Derivative financial assets	4.586	7.829
Trade receivables	87.891	121.780
Other current assets	4,011	3.993
Total costs	**114.619**	**147.328**

Impairment losses on financial assets recognised in profit or loss only relate to trade receivables and were EUR 0.3 million as per March 31, 2019 (2018: 1.7 million).

Liquidity risk management
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 Vredestein 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 17 set out the details of the borrowing agreements with the banks.

We had no borrowings as at 31 March 2019. The company therefore has credit facilities that are sufficient for the existing and expected credit requirements of the group.

The extent of the risk that the ratios agreed with lenders are exceeded is regularly determined. With the present (positive) net cash position of EUR 18.1million, the leverage ratio is zero.

Table below analyses the group'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 2019				
Pension liabilities	1.085	282	857	7.232
Derivative financial liabilities	4.625			
Trade and other payables	144.306			
As at 31 March 2018				
Pension liabilities	1.769	276	832	6.903
Derivative financial liabilities	7.780			
Trade and other payables	129.769			

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 2018-19 in respect of the currency risk of our positions outside the euro area to a 10% change in the exchange rate of the euro is positive EUR 1.8 million.

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.

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. As per 31 March, 2019 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 values of the other items do not differ materially from their carrying amount.

The following table summarizes the assets and liabilities categorized by this hierarchy. The table summarizes only the fair value measurement that has not been previously disclosed. The valuation technique used to describe level 3 measurements has been disclosed in note 14.

At 31 March 2019				**(Euro x 1,000)**
	Level 1	**Level 2**	**Level 3**	**Total**
Derivative financial liabilities		4.625		4.625
Derivative financial assets		4.586		4.586
Pension liability			9.456	9.456

31. Auditor's remuneration

(Euro x 1,000)	**Period ended 31 March 2019**	**Period ended 31 March 2018**
Audit fee	443	417
Other auditing services	12	91
Total auditor's remuneration	**454**	**508**

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

32. Board of directors and all key personnel's' remuneration

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(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Board of directors' remuneration	840	613
Post-employment benefits	32	24
Other benefits	-	5
Termination benefits	-	-
Share-based payment benefits	-	-
Total Board of directors remuneration	**872**	**653**
Key management compensation	1.311	1.563
Total board and key personnel remuneration	**2.183**	**2.204**
*) Restated for comparison purposes		

The supervisory directors received a total remuneration of EUR 20,000 for the current financial year. No loans, advances or guarantees have been issued in favour of members of the board or supervisory board.

33. Related party transactions

33.1 Related party indebtedness

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

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Receivable from:		
Apollo Tyres (Germany) GmbH	23	-
Reifencom GmbH	6.698	6.747
Apollo Tyres AG, Switzerland	7	-
Apollo Tyres Global R&D	4.041	679
Apollo Tyres Thailand	-	1
Apollo Tyres Middle-East	13	51
Apollo Tyres Limited, India (ultimate parent)	155	236
Apollo Tyres Hungary	93	1.037
Apollo Tyres South Africa	452	118
Vredestein Tyres North America Inc.	3.507	1.451
Total Receivables	**14.990**	**10.321**

Payable to:		
Apollo Tyres (Germany) GmbH	181	110
Saturn F1	140	74
Reifencom GmbH	-	422

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Apollo Tyres Coop	1.019	131
Apollo Tyres Brasil	301	301
Apollo Tyres Global R&D	14.555	8.043
Apollo Tyres UK	684	752
Apollo Tyres B.V. (parent)	7.025	2.782
Apollo Tyres Limited, India (ultimate parent)	10.970	9.673
Apollo Tyres Singapore	6.265	4.840
Apollo Tyres Hungary	16.849	13.814
Apollo Tyres AG, Switzerland	372	219
Total Payables	**58.360**	**41.161**

Management has assessed the collectability of receivables from related parties. 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.

33.2 Related party transactions – Income

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Apollo Tyres South Africa (sister)	542	1.342
Apollo Tyres Middle-East (sister)	379	1.627
Apollo Tyres Thailand (sister)	4	271
Apollo Tyres Limited, India (ultimate parent)	1.915	1.028
Reifencom GmbH	14.195	12.147
Apollo Tyres B.V. (parent)	-	343
Vredestein Tyres North America Inc.	11.572	7.591
Total	**28.607**	**24.349**

33.3 Related party transactions – Expenses

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Apollo Tyres Global R&D (sister)	24.716	23.741
Apollo Tyres UK (sister)	5.143	4.282
Apollo Tyres Limited, India (ultimate parent)	32.946	29.792
Apollo Tyres AG, Switserland (sister)	1.342	825
Apollo Tyres Singapore	20.286	24.094
Apollo Tyres GmbH	895	845
Apollo Tyres Hungary	94.102	26.268
Saturn F1	268	191
Reifencom GmbH	494	158
Total	**180.192**	**110.196**

34. Average number of employees

	Period ended 31 March 2019	Period ended 31 March 2018

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Direct departments (production)	1.282	1.281
Non-direct departments	260	292
Total in the Netherlands	**1.541**	**1.573**
Other countries	169	146
Total average number of employees	**1.710**	**1.719**

35. Capital commitment

35.1 Capital commitment

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Capital commitment	**4.338**	**3.691**

35.2 Rental and lease commitments

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Due in year one	5.363	6.027
Due between years two and five	10.062	5.653
Due after five years	3.537	576
Total	**18.962**	**12.255**

The company has operational lease contracts for cars and IT hardware. Rental obligations relate to various warehouse and office buildings with contracts up to 9 years. The rental arrangements include adjustments depending upon benchmark inflation indices.

36. Contingent liabilities

The company had no contingent liabilities as per end of March 2019 (March 2018:0). The company provided securities for the rent of buildings (997k) in the form of bank guarantees.

Company financial statements

Company financial statements

Company statement of financial position

Before profit appropriation

(Euro x 1,000)	Notes	Period ended 31 March 2019	Period ended 31 March 2018
Assets			
Non-current assets			
Intangible assets	1	59.068	54.923
Property, plant and equipment	2	145.663	150.854
Deferred tax assets		57	1.031
Receivables from participating interests		40	218
Other non-current assets		-	1.190
Investment in subsidiaries	3	50.433	47.718
Total non-current assets		**255.261**	**255.935**
Current assets			
Inventories	4	101.089	81.696
Trade receivables	5	18.738	39.051
Receivables from group companies	6	28.244	39.718
Derivative financial assets		4.586	7.829
Other current assets	7	7.760	1.785
Cash and bank balances		2.283	5.050
Total current assets		**162.700**	**175.130**
Total assets		**417.961**	**431.064**

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(Euro x 1,000)	Notes	Period ended 31 March 2019	Period ended 31 March 2018
Equity and liabilities			
Equity			
Issued capital		43	43
Share premium reserves		20.226	20.226
Legal reserves		36.414	36.414
Translation of foreign operations		580	452
Actuarial gains / losses on pension plans		-1.607	-1.426
Retained earnings and other reserves		191.861	193.542
Profit for the year		4.948	22.173
Total equity	8	**252.465**	**271.422**
Provisions		**2.128**	**2.053**
Non-current liabilities			
Deferred tax liability	9	27.403	30.925
Other liabilities		761	1.493
Total non-current liabilities		**28.164**	**32.418**
Current liabilities			
Trade and other payables	10	65.433	71.941
Debt to group companies		65.146	45.449
Derivative financial liabilities		4.625	7.780
Total current liabilities		**135.204**	**125.170**
Total equity and liabilities		**417.961**	**431.064**

Certain Prior year amounts have been reclassified for consistency with current period presentation. The reclassifications had no impact on reported results of the operations

Company statement of income

(Euro x 1,000)	Notes	Period ended 31 March 2019	Period ended 31 March 2018
Profit from investment in subsidiaries	12	4.148	1.941
Other profit after Tax		800	20.232
Profit of the year		**4.948**	**22.173**

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Notes to the separate annual accounts for 2018-19

Valuation principles 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 3. 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 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.

1. Intangible Assets

(Euro x 1,000)	Development	Brand names	Software	Total
As at 31 March 2018				
Cost	70.101	12.900	23.902	106.904
Depreciation	-33.687	-	-18.294	-51.980
Book value	**36.414**	**12.900**	**5.609**	**54.923**
Changes in book value				
Investments	11.460	-	31	11.491
Divestments				
- Acquisition value			-25	25-
- Depreciation			25	25
Depreciation for financial year	-5.401	-	-1.946	-7.347
Balance	**6.059**	**-**	**-1.915**	**4.144**
As at 31 March 2019				
Cost	81.561	12.900	23.933	118.394
Depreciation	-39.088	-	-20.240	-59.328
Book value	**42.474**	**12.900**	**3.694**	**59.068**

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2. 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 2018	**19.018**	**51.895**	**94.571**	**6.070**	**7.873**	**414.465**	**593.893**
Additions			4.934	2.134	4	3.553	10.626
Disposals		-17	-12.552			-2.935	-15.503
Transfers		553				-553	-
Balance as at 31 March 2019	**19.018**	**52.431**	**86.954**	**8.204**	**7.877**	**414.531**	**589.015**
Accumulated depreciation							
Balance as at 31 March 2018	**2.169**	**30.884**	**86.728**		**5.254**	**318.004**	**443.038**
Reclassifications depreciation		94				-94	-
Depreciation for financial year	160	918	4.072		524	10.094	15.768
Disposals			-12.520			-2.935	-15.455
Balance as at 31 March 2019	**2.329**	**31.896**	**78.280**		**5.777**	**325.069**	**443.351**
Balance as at 31 March 2019- Net	**16.689**	**20.629**	**8.674**	**8.204**	**2.100**	**89.368**	**145.663**
Balance as at 31 March 2018	16.850	21.011	7.843	6.070	2.620	96.461	150.854

3. Investments 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 (the companies part in) 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 Vredenstein B.V.

(Euro x 1,000)	**Period ended 31 March 2019**	**Period ended 31 March 2018**
Net Position at beginning of year	45.396	44.754
Investments:		
Opening FCTR on Investment	1.367	-
Dividends	-2.002	-1.800
Capital contribution	9	-
Repayment of capital	-677	
Accumulated OCI	-58	501
Result	5.687	1.941
Net position	**49.726**	**45.396**
Negative participations	707	2.322
Position at end of year	**50.433**	**47.718**

4. Inventories

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Raw materials	8.959	7.252
Work in progress	7.393	3.901
Finished goods	57.819	42.486
Stock-In-Trade	17.865	19.143
Consumable stores	9.053	8.914
Total	**101.089**	**81.696**

5. Trade receivables

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Trade receivables	20.843	41.077
Allowance for doubtful debts	-2.105	-2.026
Total	**18.738**	**39.051**

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 and customer loses the incentive if not paid in time. Apollo Vredestein 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 Vredestein 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 D&B 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.

Ageing of past due but not impaired receivables

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
0 - 60 days	5.376	7.464
61 - 180 days	624	1.313
more than 180 days	302	1.861
Total	**6.302**	**10.638**

The total not past due for FY 2018-2019 amounts 12.5 million euro. This includes EUR 1.6 million from Apollo Group companies.

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-2.026	-1.548
Movement to allowance recognized in statement of income	-79	-481
Amounts written off during the year as uncollectible	-	3
Balance at end of year	**-2.105**	**-2.026**

6. Receivables from group companies

(Euro x 1,000)	As at 31 March 2019	As at 31 March 2018
Receivable from Apollo Vredestein GmbH	-	8.767
Receivable from Apollo Vredestein BeLux SA	3.284	2.241
Receivable from Apollo Vredestein France SAS	5.371	2.375
Receivable from Apollo Vredestein UK Limited	4.787	5.142
Receivable from Apollo Finlo B.V.	209	218
Receivable from Apollo Vredestein Austria Gesellschaft GmbH	10.079	6.773
Receivable from Apollo Vredestein Srl	-	1.120
Receivable from Vredestein Nordic AB	4.263	5.870
Receivable from Apollo Vredestein Kft.	4.012	3.523
Receivable from Apollo Vredestein Opony Polska	5.295	3.689
Non Recourse Purchase of Eligible Receivables	-10.869	-
Offset balances bank - Subsidiaries	-2.402	-
Receivable from Apollo Tyres Durban	452	-
Receivable from Apollo Tyres Middle East	13	-
Receivable from Apollo Tyres kft	93	-
Receivable from Apollo Tyres India	150	-
Receivable from Apollo Tyres Inc.	3.507	-
Total	**28.244**	**39.718**

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.

7. Other current assets

Other current assets consist mainly of a provision for income tax per 31 March, 2019 (EUR 5.8 million) and prepayments.

8. Equity

Ordinary shares

Authorised
Ordinary shares: 200,000 ordinary shares of EUR 1,00 each.

Issued
Ordinary shares: 42,491 ordinary shares of EUR 1,00 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	Translation of foreign operations	Legal Reserves	Actuarial gains or losses on pension plans	Other Reserves	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2017	**43**	**20.226**	**-867**	**26.286**	**-6.066**	**21.042**	**190.362**	**33.957**	**284.983**
Profit for the period								22.173	22.173
Other comprehensive income, net of income tax			1.319		360		-1.009		670
Dividends							-36.404		-36.404
Transfers to and from reserves				10.128	4.280		19.549	-33.957	-
Total as at 31 March 2018	**43**	**20.226**	**452**	**36.414**	**-1.426**	**21.042**	**172.498**	**22.173**	**271.422**
Profit for the period								4.948	4.948
Opening balance adjustment							-952		-952
Other comprehensive income, net of income tax			128		-181				-53
Dividends							-22.900		-22.900
Transfers to and from reserves				6.060			16.113	-22.173	-
Total as at 31 March 2019	**43**	**20.226**	**580**	**42.474**	**-1.607**	**21.042**	**164.759**	**4.948**	**252.465**

The company's legal reserve amounts to EUR 42.5 million (2018: EUR 36.4). The legal reserves consist of investments in development activities. The legal reserves are non-distributable.

Reconciliation consolidated equity to company only equity as per 31-3-2018 (amounts Euro x 1,000):
Consolidated equity value EUR 251.090
Adjustment 1- Negative investment value EUR 707
Adjustment 2- Mark-up on IC profits on unsold stock- net of deferred tax EUR 668
Company only equity value as per EUR 252.465

Adjustment 1 is taken in company towards the negative equity value in Apollo Vredestein Austria Gesellschaft GmbH and Finlo B.V.

Proposal for profit appropriation

The board of directors had proposed an interim dividend payout of EUR 22.9 million. The supervisory board has approved this. The proposed dividend payout has been reflected in the financial statements. The board of directors had proposed to add the remaining profit for the year ended 31 March 2019 to the other reserves of the company.

Appropriation of result for Financial year 2017-18

The annual report for FY 2017-18 is determined in the general meeting of the shareholders held in July 2018

9. Deferred tax liability

For the deferred tax liability in the separate annual accounts of the company reference is made to note 13 of the consolidated Financial Statements of the company as the deferred tax liability is mainly on the balance sheet of Apollo Vredestein B.V.

10. Trade and other payables

Trade and other payables as of March 31st 2019 mainly consists of (Euro x 1,000):

- Trade payables	45.948
- Employees payable	4.691
- Other payables	14.793

11. Borrowings

The Revolving Credit Facility (RCF) agreement of Apollo Vredestein B.V. with ABN AMRO and Cooperative Rabobank has been settled during the year. There has been a new Revolving Credit Facility (RCF) entered with Coöperatieve Rabobank. At 31 March 2019, amount drawn under this facility was NIL.

The interest rate is based on the 1 month EURIBOR figure plus a margin. Apollo Tyres B.V. minimizes liquidity risk with the help of an accurate liquidity forecast.

Company's parent Company (Apollo Tyres B.V.) and Sister Company (Apollo Tyres Hungary Kft.) have signed a financing agreement for a long term loan (EUR 300 Million) with a consortium of banks (ABN AMRO BANK N.V., MAGYAR EXPORT-IMPORT BANK ZRT, RAIFFEISEN BANK ZRT, STANDARD CHARTERED BANK and UNICREDIT BANK HUNGARY ZRT) for investing in the new plant in Hungary. The undrawn part of this facility (EUR 50 million) was cancelled in April 2018. The credit facility is available for Apollo Tyres B.V. (50%) and Apollo Tyres Hungary Kft. (50%). The Company 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.

12. Profit from investments in subsidiaries

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Apollo Vredestein GmbH	1.839	-2.033
Apollo Vredestein BeLux SA	255	449
Apollo Vredestein France SAS	251	122
Apollo Vredestein Limited	489	222
Apollo Vredestein Austria Gesellschaft GmbH	378	-1.044
Apollo Vredestein Srl	137	-147
Vredestein Nordic AB	133	285
Apollo Vredestein Kft.	62	-15
Apollo Vredestein Tires Inc.	-	-
Apollo Vredestein Opony Polska	101	48
Vredestein Norge AS	-	-
Apollo Vredestein Schweiz AG	247	181
Apollo Vredestein Iberica SA	194	89
Vredestein Marketing Agentur B.V.and Co. KG	-	3.728
Vredestein Consulting B.V.	61	56
Total	**4.147**	**1.941**

13. Board of directors' remuneration

(Euro x 1,000)	Period ended 31 March 2019	Period ended 31 March 2018
Board of directors' remuneration	**872**	**653**

The supervisory directors received a remuneration of EUR 20,000 for the current financial year. No loans, advances or guarantees have been issued in favour of members of the board or supervisory board.

Contingent liabilities

The company had no contingent liabilities as per end of March 2019 (March 2018:0). The company provided securities for the rent of buildings (997k) in the form of bank guarantees

Post balance sheet events

The company has no subsequent events

Signing the financial statements

Enschede, the Netherlands, May 17, 2019

The Board of directors:

Benoit Rivallant

Sunam Sarkar

Vishal Kumar Mittal

Rakesh Dewan

The Supervisory Board:

Onkar Singh Kanwar

Neeraj Kanwar

Fred J.A.M van Houten

Akshay Chudasama

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

GrantThornton

To: the shareholders and board of directors of Apollo Vredestein B.V.

Grant Thornton
Accountants en Adviseurs B.V.
Flemingweg 10
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INDEPENDENT AUDITOR'S REPORT

A. Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements for the year ended March 31, 2019 of Apollo Vredestein B.V., as set out on pages 3 to 63. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Apollo Vredestein B.V. as at March 31, 2019, and of its result and its cash flows for 2017 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 Vredestein B.V. as at March 31, 2019, and of its result in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at March 31, 2019;

2 the following statements for the year ended March 31, 2019:
the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as at March 31, 2019;

2 the company profit and loss account for the year ended March 31, 2019; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

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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 Vredestein B.V. in accordance with 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.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- the management board's report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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.

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 management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. 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-IFRS 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.

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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 financial reporting process of the company.

Our Responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment 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 have detected all 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 judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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 company's internal control;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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. 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 a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

- 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.

We communicate with those charged with governance 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.

Amsterdam, May 17, 2019

Grant Thornton Accountants en Adviseurs B.V.

Drs. M.A. Splinter RA