

Apollo Tyres Cooperatief U.A.

Enschede, the Netherlands

ANNUAL REPORT 2019/2020

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1. FINANCIAL STATEMENTS

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2020

(After result appropriation)

	31 March 2020		31 March 2019	
ASSETS	EUR	EUR	EUR	EUR
Fixed assets				
<i>Financial fixed assets</i>				
Participations in group companies	792,848,687		726,580,693	
Deferred tax asset	133,405		-	
		792,982,092		726,580,693
Current assets				
<i>Receivables</i>				
Receivables from group companies	1,467,730		1,370,274	
Taxes and premiums social insurance	4,085		85,608	
Other prepayments and accrued income	-		122,393	
		1,471,815		1,578,275
<i>Cash and cash equivalents</i>		722,020		930,191
		795,175,927		729,089,159

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2020

(After result appropriation)

MEMBERS' CAPITAL AND LIABILITIES	31 March 2020		31 March 2019	
	EUR	EUR	EUR	EUR
Members' capital				
Members' capital [4]				
Membership Capital I	306,155,033		284,424,233	
Membership Capital II	1,000		1,000	
Other reserves	416,813,838		402,059,335	
		722,969,871		686,484,568
Long-term liabilities				
Long-term liabilities [5]				
Borrowings	71,795,735		40,629,002	
Debts to group companies	-		-	
		71,795,735		40,629,002
Current liabilities				
Current liabilities [6]				
Debts to group companies	252,845		1,924,449	
Accrued liabilities	157,476		51,140	
		410,321		1,975,589
Total members' capital and liabilities		795,175,927		729,089,159

Apollo Tyres Cooperatief U.A.

1.2 Profit and loss account for the year 1 April 2019 up to 31 March 2020

		31 March 2020		31 March 2019	
		EUR	EUR	EUR	EUR
Interest income	[7]	5,521		63	
Dividends		<u>15,223,500</u>		<u>-</u>	
			15,229,021		63
Interest expenses	[8]		<u>565,581</u>		<u>1,715,658</u>
Gross margin			14,663,440		(1,715,595)
Other operating income	[9]		-		1,392,770
Gross operating result			<u>14,663,440</u>		<u>(322,825)</u>
Other operating costs	[10]	<u>175,625</u>		<u>139,130</u>	
Total operating costs			175,625		139,130
Operating result			<u>14,487,816</u>		<u>(461,954)</u>
Other financial income	[11]	120,917		16,439	
Other financial expenses	[12]	-		(250,759)	
Total financial income			120,917		267,198
Result before taxation			<u>14,608,733</u>		<u>(194,757)</u>
Taxation	[13]		<u>(145,770)</u>		<u>(55,413)</u>
Result after taxation			<u>14,754,503</u>		<u>(139,344)</u>

1.3 Notes to the financial statements

General

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

Activities

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

Group structure

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

Consolidation

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

Comparison previous year

The accounting principles remained unchanged compared to previous year.

Impairment of fixed assets

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

Financial instruments

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

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

Estimates

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

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

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

1.3 Notes to the financial statements

Currency

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

BALANCE SHEET VALUATION POLICIES

General

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

Financial fixed assets

Participations in group companies

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

Receivables

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

Cash and cash equivalents

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

Long-term liabilities

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

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

Current liabilities

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

1.3 Notes to the financial statements

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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

Gross margin

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

Operating costs

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

Taxation

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

PRINCIPLES FOR THE PREPARATION OF THE CASH FLOW STATEMENT

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

Apollo Tyres Cooperatief U.A.

1.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets [1]

Participations in associated companies

The participations in associated companies are specified in Appendix 1.

CURRENT ASSETS

Receivables [2]

	<u>31 Mar 20</u>	<u>31 Mar 19</u>
	EUR	EUR
Receivables from group companies		
Apollo Vredestein B.V.	1,115,966	1,019,341
Apollo Tyres Global R&D B.V.	831	
Apollo Tyres B.V.	65,810	65,810
Apollo Tyres do Brasil Ltd.	285,123	285,123
	1,467,730	1,370,274

	<u>31 Mar 20</u>	<u>31 Mar 19</u>
	EUR	EUR
<i>Apollo Tyres do Brasil Ltda.</i>		
Value as of 1 April	285,123	263,234
Other movements	-	21,889
Value as of 31 March	285,123	285,123

	<u>31 Mar 20</u>	<u>31 Mar 19</u>
	EUR	EUR
Taxes		
Corporate income tax	-	84,260
Value added tax	4,085	1,348
	4,085	85,608

	<u>31 Mar 20</u>	<u>31 Mar 19</u>
	EUR	EUR
Other prepayments and accrued income		
Rent deposits	-	122,393
	-	122,393

	<u>31 Mar 20</u>	<u>31 Mar 19</u>
	EUR	EUR
Cash and cash equivalents [3]		
Cooperatieve Rabobank U.A. EUR account	696,594	902,351
Cooperatieve Rabobank U.A. USD account	11,290	13,628
Cooperatieve Rabobank U.A. GBP account	14,136	14,211
	722,020	930,191

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

Apollo Tyres Cooperatief U.A.

1.4 Notes to the balance sheet

MEMBERS' CAPITAL AND LIABILITIES

MEMBERS' CAPITAL [4]

	31 Mar 20	31 Mar 19
	EUR	EUR
Membership Capital I: Apollo Tyres Limited		
Value as of 1 April	284,424,233	206,590,900
Contributions	21,730,800	77,833,333
Value as of 31 March	306,155,033	284,424,233
	31 Mar 20	31 Mar 19
	EUR	EUR
Membership Capital II: Apollo Tyres (Greenfield) B.V.		
Value as of 31 March	1,000	1,000
	31 Mar 20	31 Mar 19
	EUR	EUR
Other reserves		
Value as of 1 April	402,059,335	402,198,679
Appropriation of result	14,754,503	(139,344)
Adjustments previous years		
Value as of 31 March	416,813,838	402,059,335

Appropriation of result for the financial year 2019/2020

In accordance to Article 22 sub 1 of the Articles of Association the result of 2019/2020, being a profit of 14,754,503 EUR, is fully transferred and allocated to the other reserves. The other reserves are freely distributable by the general members' assembly. Any distribution of the other reserves will be done in accordance to the share held by each member in the membership capital.

Appropriation of result for the financial year 2018/2019

The annual accounts for 2018/2019 were adopted at the general meeting held on 30 September, 2019. The general meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

Apollo Tyres Cooperatief U.A.

1.4 Notes to the balance sheet

LONG-TERM LIABILITIES [5]

	31 Mar 20	31 Mar 19
Debts to group companies	EUR	EUR
Deferred consideration payable	-	-

Deferred consideration balance payable in relation to acquisition of equity stake in Reifencom GmbH was fully settled as on 31 March 2019.

	31 Mar 20	31 Mar 19
Borrowings		
Secured	EUR	EUR
Term loan from banks (including interest accrued) - Loan A	29,888,340	29,784,397
Term loan from banks (including interest accrued) - Loan B	41,907,395	10,844,605
	71,795,735	40,629,002

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

The gross amount of loan outstanding as at 31 March 2020 amounts to € 30 million (previous year € 30 million).

During the previous year, the Company executed an agreement with a bank to raise funds up to € 42 million (Loan B). Out of this, the Company had drawn €11 million till 31 March 2019 and balance € 31 million was drawn in current year. This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited.

The loan is repayable in March 2022. The gross amount of loan outstanding as at 31 March 2020 amounts to € 42 million (previous year € 11 million).

The aforementioned loans carries interest rate based on Euribor plus margin which varies between 0 to 1% per annum.

CURRENT LIABILITIES [6]

	31 Mar 20	31 Mar 19
	EUR	EUR
Debts to group companies		
Accrued interest on short term loans	2,845	1,584,449
Apollo Tyres (Greenfield) B.V.	250,000	340,000
	252,845	1,924,449

	31 Mar 20	31 Mar 19
	EUR	EUR
Accrued liabilities		
Accrued expenses	157,476	51,140

Apollo Tyres Cooperatief U.A.

Off-balance sheet incorporated rights and obligations

Conditional rights

Fiscal unity for corporate income tax

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

1.5 Notes to the profit and loss account

	31 Mar 20	31 Mar 19
	EUR	EUR
Interest income [7]		
Intercompany interest incomes	5,521	63
Dividends		
Apollo Tyres Holdings (Singapore) Pte. Ltd.	15,223,500	-
Interest expenses [8]		
Intercompany & other interest expenses	565,581	1,715,658
Other operating income [9]		
Liabilities written back	-	1,392,770
Operating costs [10]		
General costs	175,625	139,130
General costs		
Auditor's costs	20,144	20,036
Legal & professional cost	44,186	62,542
Rate & Taxes	2,639	18,136
Bank charges	1,130	3,026
Corporate guarantee fees	107,526	35,390
	175,625	139,130
Financial income and expenses		
Other financial income [11]		
Exchange gains	120,917	16,439
Other financial expenses [12]		
Interest on deferred consideration	-	(250,759)
	(120,917)	(267,198)

Apollo Tyres Cooperatief U.A.

1.5 Notes to the profit and loss account

	<u>31 Mar 20</u> EUR	<u>31 Mar 19</u> EUR
Taxation [13]		
Corporate income tax	(12,365)	(55,413)
Deferred tax	(133,405)	-
	<hr/>	<hr/>
	(145,770)	(55,413)

Number of employees and employment costs

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

Subsequent events

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

Legal exemption

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

Enschede, the Netherlands

Apollo Tyres Cooperatief U.A.



V.K Mittal

31.08.2020



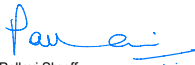
B.M Rivallant

31.08.2020



R.Dewan

31.08.2020



Pallavi Shroff

Apollo Tyres Cooperatief U.A.

Appendix 1: Participations

Participation in group companies [1]

Participation in group companies can be divided as follows:

Name	Place of Business	Share in Capital	Equity in accordance with last annual accounts	Results in accordance with last annual accounts
Apollo Tyres B.V.	Netherlands	100.00	518,715,000	(9,029,000)
Apollo Tyres Global R&D B.V.	Netherlands	100.00	13,668,091	2,747,817
Apollo Tyres (Thailand) Limited	Thailand	100.00	2,792,678	(761,254)
Apollo Tyres do Brasil Ltda.	Brazil	99.37	(58,323)	(110,907)
Apollo Tyres AG	Switzerland	100.00	3,708,067	1,138,115
Apollo Tyres (Middle East) FZE	Dubai	100.00	2,593,692	461,858
Apollo Tyres Holdings (Singapore) Pte. Ltd.	Singapore	100.00	21,251,611	6,397,895
Apollo Tyres (UK) Pvt. Ltd.	United Kingdom	100.00	20,866,271	568,078
Apollo Tyres (Germany) GmbH	Germany	100.00	689,668	253,593
Reifencom GmbH	Germany	100.00	1,607,416	(456,019)
Apollo Tyres (South Africa) Holdings Pty Ltd	South Africa	100.00	3,325,585	6,209
Apollo Vredestein Tires, Inc	USA	100.00	(1,070,221)	(2,629,241)
Saturn F1 Pvt. Ltd.	United Kingdom	100.00	2,138,905	(285,688)

Participation in group companies	31-03-2020	31-03-2019
Apollo Tyres B.V.	686,184,938	625,884,938
Apollo Tyres Global R&D B.V.	1,900,536	1,900,536
Apollo Tyres (Thailand) Limited	2,552,230	2,552,230
Apollo Tyres do Brasil Ltda.	311,732	311,732
Apollo Tyres AG	5,885,659	5,885,659
Apollo Tyres (Middle East) FZE	3,060,815	3,060,815
Apollo Tyres Holdings (Singapore) Pte. Ltd.	9,714,276	9,714,276
Apollo Tyres (UK) Pvt. Ltd.	20,522,289	19,958,146
Apollo Tyres (Germany) GmbH	600,000	600,000
Reifencom GmbH	46,250,000	46,250,000
Apollo Tyres (South Africa) Holdings Pty Ltd	4,193,881	4,193,881
Apollo Vredestein Tires, Inc	8,431,829	3,915,368
Saturn F1 Pvt. Ltd.	2,353,112	2,353,112
Click Diagnostics Inc	887,390	-
	792,848,687	726,580,693

