

Apollo Tyres Cooperatief U.A.

Enschede, the Netherlands

ANNUAL REPORT 2021/2022

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1. FINANCIAL STATEMENTS

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2022

(After result appropriation)

		31 March 2022		31 March 2021	
		EUR	EUR	EUR	EUR
ASSETS					
Non-current assets					
<i>Financial fixed assets</i>	[1]				
Participations in group companies		793,669,531		793,669,531	
Participations in other companies		887,390		887,390	
Other Investments		1,270,215		-	
Deferred tax asset		757,960		631,382	
			796,585,096		795,188,303
Current assets					
<i>Receivables</i>	[2]				
Receivables from group companies		613,229		344,396	
			613,229		344,396
<i>Cash and cash equivalents</i>	[3]		5,070,437		3,276,208
			802,268,762		798,808,907

Apollo Tyres Cooperatief U.A.

1.1 Balance sheet as of 31 March 2022

(After result appropriation)

MEMBERS' CAPITAL AND LIABILITIES	31 March 2022		31 March 2021	
	EUR	EUR	EUR	EUR
Membership Capital	[4]			
Membership Capital I	306,155,033		306,155,033	
Membership Capital II	1,000		1,000	
Other reserves	475,643,477		420,319,909	
		781,799,510		726,475,942
Current liabilities				
	[5]			
Borrowings		19,980,663		71,941,180
Debts to group companies		264,251		258,548
Accrued liabilities		<u>224,338</u>		<u>133,237</u>
		20,469,252		72,332,965
Total members' capital and liabilities				
		802,268,762		798,808,907

Apollo Tyres Cooperatief U.A.

1.2 Profit and loss account for the year 1 April 2021 up to 31 March 2022

		31 March 2022		31 March 2021	
		EUR	EUR	EUR	EUR
Dividends	[6]	55,437,974		5,000,000	
			55,437,974		5,000,000
Interest expenses	[7]		377,374.00		651,027
Gross margin			55,060,600		4,348,973
Gross operating result			55,060,600		4,348,973
Other operating costs	[8]	128,938		1,329,422	
Total operating costs			(128,938.00)		1,329,422
Operating result			54,931,662		3,019,551
Other financial expenses	[9]	-		11,457	
Total financial income and expenses			-		(11,457)
Result before taxation			54,931,662		3,008,094
Taxation	[10]		391,906		497,977
Result after taxation			55,323,568		3,506,071

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.

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

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

Current liabilities

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

1.3 Notes to the financial statements

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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

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.

1.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets [1]

Participations in group and other companies

The participations are specified in Appendix 1.

CURRENT ASSETS

Receivables [2]

	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Receivables from group companies		
Apollo Tyres (NL) B.V.	328,106	59,273
Apollo Tyres do Brasil Ltda.	285,123	285,123
	<u>613,229</u>	<u>344,396</u>
	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Cash and cash equivalents [3]		
Cooperatieve Rabobank U.A. EUR account	5,042,359	3,250,974
Cooperatieve Rabobank U.A. USD account	17,342	11,098
Cooperatieve Rabobank U.A. GBP account	10,736	14,136
	<u>5,070,437</u>	<u>3,276,208</u>

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

1.4 Notes to the balance sheet

MEMBERS' CAPITAL AND LIABILITIES

MEMBERS' CAPITAL [4]

	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Membership Capital I: Apollo Tyres Limited		
Value as of 1 April	306,155,033	306,155,033
Contributions	<u>-</u>	<u>-</u>
Value as of 31 March	<u>306,155,033</u>	<u>306,155,033</u>
	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Membership Capital II: Apollo Tyres (Greenfield) B.V.		
Value as of 31 March	<u>1,000</u>	<u>1,000</u>
	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Other reserves		
Value as of 1 April	420,319,909	416,813,838
Appropriation of result	<u>55,323,568</u>	<u>3,506,071</u>
Value as of 31 March	<u>475,643,477</u>	<u>420,319,909</u>

Appropriation of result for the financial year 2021/2022

In accordance to Article 22 sub 1 of the Articles of Association the result of 2021/2022, being a profit of 55,323,568 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 2020/2021

The annual accounts for 2020/2021 were adopted at the general meeting held on 17 September 2021. The general meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

1.4 Notes to the balance sheet

CURRENT LIABILITIES [5]

	31 Mar 22	31 Mar 21
Borrowings		
Secured	EUR	EUR
Term loan from banks (including interest accrued) – Loan B *	19,980,663	
Current Maturities of non-current borrowings (secured)		
Term loan from banks (including interest accrued) - Loan A	-	29,987,440
Term loan from banks (including interest accrued) - Loan B	-	41,953,740
	19,980,663	71,941,179

*During the year ended 31 March 2019, the Company executed an agreement with a bank to raise funds upto € 42 million (Loan B). This loan is secured by the corporate guarantee provided by parent Company, Apollo Tyres Limited. The loan was repayable in March 2022. In the month of March 2022, the Company has repaid € 22 million and the balance € 20 million was refinanced for another one year and carries interest rate 0 to 1% per annum above Euribor. The gross amount of Loan B outstanding as at 31 March 2022 amounts to € 20 million (previous year € 42 million).

	31 Mar 22	31 Mar 21
	EUR	EUR
Debts to group companies		
Accrued interest on short term loans	14,251	8,548
Apollo Tyres (Greenfield) B.V.*	250,000	250,000
	264,251	258,548

*The Company executed loan agreement dated 07 June 2017 with its related party, namely, Apollo Tyres Greenfield B.V. to obtain funds upto \$ 10 million. The loan is unsecured and is repayable (on demand). The loan carries interest rate of Euribor plus a margin of 225 basis points calculated on annual basis and is due and payable on final settlement of the loan.

	31 Mar 22	31 Mar 21
	EUR	EUR
Accrued liabilities		
Accrued expenses	224,338	133,237

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 Tyres (NL) B.V., Vredestein Consulting B.V., Finlo B.V., Apollo Tyres (Europe) 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

	<u>31 Mar 22</u>	<u>31 Mar 21</u>
	EUR	EUR
Dividends [6]		
Apollo Tyres Holdings (Singapore) Pte. Ltd.	5,271,374	
Apollo Tyres Global R&D B.V.	9,000,000	5,000,000
Apollo Tyres BV	40,000,000	
Apollo Tyres (UK) Holdings Ltd	1,166,600	
	<u>55,437,974</u>	<u>5,000,000</u>
Interest expenses [7]		
Intercompany & other interest expenses	<u>377,373</u>	<u>651,027</u>
Operating costs [8]	<u>128,938</u>	<u>1,329,422</u>
General costs		
Legal & professional cost	34,735	1,197,380
Rate & Taxes	-	1,283
Bank charges	1,367	1,027
Other borrowing cost	92,836	129,732
	<u>128,938</u>	<u>1,329,422</u>
Financial income and expenses		
Other financial expenses [9]		
Exchange losses	-	11,457
	<u>-</u>	<u>11,457</u>

1.5 Notes to the profit and loss account

	<u>31 Mar 22</u> EUR	<u>31 Mar 21</u> EUR
Taxation [10]		
Corporate income tax	(265,328)	-
Deferred tax	(126,578)	(497,977)
	<u>(391,906)</u>	<u>(497,977)</u>

Number of employees and employment costs

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

Subsequent events

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

Legal exemption

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

Enschede, the Netherlands

Apollo Tyres Cooperatief U.A.



V.K Mittal



B.M Rivallant



R.Dewan



Pallavi Shroff

Dated: 19th August 2022

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 (Europe) B.V. (Formerly known as Apollo Tyres B.V.)	Netherlands	100	449,513,000	33,912,000
Apollo Tyres Global R&D B.V.	Netherlands	100	3,246,543	1,928,147
Apollo Tyres (Thailand) Ltd.	Thailand	100	3,025,312	(309,724)
Apollo Tyres Do (Brasil) Ltda.	Brazil	99.37	(76,260)	17,588
Apollo Tyres AG (Switzerland)	Switzerland	100	5,570,220	1,302,240
Apollo Tyres (Middle East) Fze	Dubai	100	3,065,923	(1,551,357)
Apollo Tyres Holdings (Singapore) Pte Ltd.	Singapore	100	29,685,261	7,575,490
Apollo Tyres (UK) Holdings Ltd. (Formerly known as Apollo Tyres (UK) Pvt. Ltd)	United Kingdom	100	21,789,339	628,193
Apollo Tyres (R&D) Gmbh (Formerly known as Apollo Tyres (Germany) Gmbh)	Germany	100	2,088,849	195,308
Reifencom Gmbh, Hannover	Germany	100	4,472,655	1,271,650
Apollo (South Africa) Holdings (Pty) Ltd.	South Africa	100	4,055,839	754
Apollo Tires (US) Inc (Formerly known as Apollo Vredestein Tires Inc.)	USA	100	(2,730,444)	(2,274,743)
Saturn F1 Pvt Ltd.	United Kingdom	100	2,093,218	66,179

Participation in group companies	31/03/2022	31/03/2021
Apollo Tyres (Europe) B.V. (Formerly known as Apollo Tyres B.V.)	686,184,938	686,184,938
Apollo Tyres Global R&D B.V.	1,900,536	1,900,536
Apollo Tyres (Thailand) Ltd.	2,552,230	2,552,230
Apollo Tyres Do (Brasil) Ltda.	311,732	311,732
Apollo Tyres AG (Switzerland)	5,885,659	5,885,659
Apollo Tyres (Middle East) Fze	3,060,815	3,060,815
Apollo Tyres Holdings (Singapore) Pte Ltd.	9,714,276	9,714,276
Apollo Tyres (UK) Holdings Ltd. (Formerly known as Apollo Tyres (UK) Pvt. Ltd)	20,522,289	20,522,289
Apollo Tyres (R&D) Gmbh (Formerly known as Apollo Tyres (Germany) Gmbh)	600,000	600,000
Reifencom Gmbh, Hannover	46,250,000	46,250,000
Apollo (South Africa) Holdings (Pty) Ltd.	4,193,881	419,3881
Apollo Tires (US) Inc (Formerly known as Apollo Vredestein Tires Inc.)	10,140,063	10,140,063
Saturn F1 Pvt Ltd.	2,353,112	23,53,112
Total	793,669,531	793,669,531
Participation in other companies		
Click Diagnostics Inc	887,390	887,390
Other Investments		
MHA Capital LP - Series OL	1,270,215	-