Independent auditor’s report

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

Report on the audit of the financial statements for the year ended 31 March 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 March 2023 of Apollo Tyres (Europe) B.V. based in Amsterdam.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Apollo Tyres (Europe) B.V. as at 31 March 2023 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Apollo Tyres (Europe) B.V. as at 31 March 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 March 2023
- The following statements for the year then ended: the statement of income, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 March 2023
- The company statement of income for the year then ended
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Information in support of our opinion

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

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

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

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to section 'Risk Management' of the report by the management board for management's (fraud) risk assessment.

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

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

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

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We evaluated among others the cut-off of revenue transactions responsive to this presumed risk.

These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, legal, human resources and regional directors.

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

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

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

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

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Based on our procedures performed, we did not identify material uncertainties about 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 an entity to cease to continue as a going concern.

Report on other information included in the annual report

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

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

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

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

Description of responsibilities regarding the financial statements

Responsibilities of management 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.

As part of the preparation of the financial statements, management is responsible for assessing the entity'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 entity 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 entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and Performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Communication

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

The Hague, 7 July 2023

Ernst & Young Accountants LLP

signed by J.H.M. van den Nouland

Apollo Tyres (Europe) B.V.
Annual Accounts 2022-23

Report by the Management Board

The board of directors of Apollo Tyres (Europe) B.V. put on record the company's annual accounts for the year ended March 31, 2023

The company

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

The group focuses on developing, manufacturing, marketing, sales and distribution of tyres across various categories including passenger car, Truck & Bus, agriculture, industrial vehicles and bicycles. The 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 and in Gyöngyöshalász, Hungary. Sales operations are managed by various subsidiary companies across Europe. The group's distribution network covers Europe, its products are also exported to various other countries. The 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)	**2022-23**	**2021-22**
Net Sales	684.4	585.0
Other Operating Income	3.8	3.7
Profit before Depreciation, Interest & Taxes (EBITDA)	111.7	102.9
Profit before Interest & Taxes	63.7	49.4
Net Financing expenses	(4.6)	(5.6)
Taxes	(12.2)	(9.9)
Net Profit/ (loss) for the year	46.9	33.9

Economy & Market Overview

Following robust expansion in the first half of 2022, growth momentum abated in the third quarter, although slightly less than expected. Despite exceptional adverse shocks, the EU economy avoided the fourth-quarter contraction projected in the Autumn Forecast. The annual growth rate for 2022 is now estimated at increased by 3.5% in both the EU and the euro area.

The war in Ukraine caused a surge in energy costs, and Europe's limited electricity production capacity combined with high demand resulted in price increases across all economic sectors. After peaking in 2022, headline inflation in the Euro Area continued to decline in the first quarter of 2023 amid a sharp deceleration of energy prices. Core inflation (headline inflation excluding energy and unprocessed food) is, however, proving more persistent. Inflation in March 2023 reached a historic high of 7.6% in Europe, but it is projected to decline gradually. On an annual basis, core inflation in the euro area in 2023 is set to average 6.1%, before falling to 3.2% in 2024, remaining above headline inflation in both forecast years.

Industry Structure & Development

Automobile Industry

During 2022, Passenger car registrations declined in the European Union by 4.6% and European Region by 10.4%. The main factor impacting the region's performance was again the shortage of semiconductors. In addition, the war in Ukraine continued to hold the Eastern European market back, with major declines in the countries directly involved in the conflict: Ukraine (-64.7%) and Russia (-62.7%).

During 2022, Commercial vehicle registrations in European Union contracted by 14.6% with volumes falling below those of the pandemic year of 2020. This was primarily caused by the ongoing supply chain issues which affected vehicle availability throughout the year. The region's overall performance was not helped by its four key markets, which all suffered double-digit percentage declines: France (-17.7%), Spain (-16.7%), Germany (-11.0%) and Italy (-10.5%).

Tyre Industry

The year 2022 was characterized by two contrasting half-year results for European tyre manufacturers. Market saw a positive trend in the first six months for Replacement Consumer tyres with 7.4% growth combined with 10.3% for Truck and Bus tyres. The growth was attributable to general economic recovery and an economic ban on imported goods from Russia causing shortage particularly for winter tyres segment with low stock levels of European tyre dealers resulting in strong demand for tyres. However, the situation turned into a challenging second half of the year as market witnessed a sharp decline of 10.1% in the Replacement Consumer tyre market and 8.2% for the Replacement Truck and Bus tyre markets.

Overall, the Replacement Consumer Tyre market in Europe decreased by 2%, the Truck and Bus Tyre market increased 1% and Agricultural tyres registered a sharp decline of 22% in 2022. Despite the challenges faced by the tyre industry, some key trends remain visible. While both the Summer and Winter tyre segment declined by 6% each, the All-Season tyre segment registered growth of 6%. This is also supported by a new regulation like the "Mountain law" in France. Further, market continued to grow for the Ultra high-performance segment (sizes above 17 inches)

Due to the ongoing high inflation in all European markets and the continued negative impact of the war in Ukraine, particularly on energy prices, the European replacement market further declined in Q1 2023 in all product categories. The consumer tyres, truck and bus tyres and agricultural tyres segments declined by 12%, 15% and 39% respectively.

For original equipment (OE) tyres, the year 2022 results are more positive with a growth of consumer tyres sales of 3.4% and of 4.7% for truck and bus tyres. Compared to 2019, truck and bus OE tyre sales show an increase of 6.8% while OE consumer tyres instead remain 26% below pre-covid levels

Company Performance

Despite the headwinds and decline in the market, the company's overall Revenue increased 17% mainly due to higher sale price realized to compensate for the impact of cost inflation during the financial year. The company continues to be dominantly a replacement market player. During the year, the company has continued to ramp-up production of tyres at its manufacturing plant in Gyöngyöshalász, Hungary.

Brand promotion initiatives

To increase the visibility and awareness of Vredestein Brand in Europe and beyond, the company has invested in communication and sponsorship. To showcase our technical leadership in the Winter and All-Season segment, we sponsored the FIS World Ski Championships in France in February 2023. This was broadcast on national TV in our core markets, reaching an audience of over 120 million viewers across Europe and the US.

We are also continuing our sponsorship with Mille Miglia and are focusing on content production and activation through influencers on social media networks. Additionally, we have maintained our 10-year partnership with Manchester United, running social media campaigns and co-branded digital campaigns across Europe.

To increase the Vredestein brand communication footprint in South West Europe, we initiated two TV campaigns in France during the summer and winter. We also became the official naming partner of "Vredestein 20km de Paris," one of the most emblematic races in Europe. Furthermore, we have continued our local sponsorship with the German Golf Association and maintained our ongoing sponsorship with DVTK sports club in Hungary.

We are also sponsoring classic car rallies in Germany and Austria, including the Ennstal Classic in Germany and the Int. Vredestein Pannonia-Carnuntum Historic Oldtimer Event in May 2022. In terms of Apollo, we have an ongoing sponsorship with Apollo Tor Truck Racing and are implementing events with our customers during most of the 8 racing days. Lastly, we are continuing our trade marketing activities with key online customers.

In the Off Highway Tyres(OHT)product category, the company participated in European Agricultural Machinery Trade Fairs, EIMA in Italy, SIMA in Paris and also BAUMA Exhibition, which is World's Leading Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment

OE Journey

On PCT front, we were proud to be selected as the original equipment supplier for the all-new BMW Serie 2 Active Tourer, the all-new BMW X1 sports utility vehicle, and the new Caddy from Volkswagen Commercial Vehicles. We have also been selected by Audi as original equipment supplier for the Audi A1 Sportback for our latest Vredestein Ultrac and Sportrac summer tyres.

On TBR front, we have started our first original equipment supplies to IVECO for our current mixed segment replacement products. In addition, we have also secured a supply contract with SchwarzMuller during the year.

On OHT front, company further grew its sales with premium OEM customers Caterpillar & Liebherr

New product introductions

In the past year, we have achieved significant growth and success in expanding our product portfolio to new and promising markets. Building on the recent renewal and expansion of our product range in recent years, the company continued to expand its Passenger car All-Season, Winter and Light Truck ranges Quatrac, Wintrac and Comtrac respectively to meet the changing needs of our customers.

Commemorating the launch of our first All Season Tyre in 1993 and celebrating 30 years as pioneers in the All-Season Segment, we launched our first All-Season Tyre specifically designed for Electric Vehicles, Quatrac Pro EV in early 2023. This new range is available in 19 sizes. During the year, we also launched 17 additional sizes in All-Season segment in the Ultra High Performance (17” and above) to keep up growing in this key segment. For the Apollo Brand, we have successfully entered a new market for us in Europe with the introduction of 24 new sizes of Pinza range in the Off-Road 4X4 segment.

In OHT category, we also celebrated 25 years of the remarkable and extremely successful

Vredestein Traxion+ tractor tyres, which became a revolutionary tyre with a strong divergent pattern compared to the usual tractor tyre patterns of its period. Under the Vredestein Brand, we introduced two new series of trailer tyres in a VF line for optimal soil preservation and a heavy-duty line for trailers focused on road transport. The new Vredestein Flotation Optimall is a premium tyre solution that raises the bar in terms of soil preservation, grassland-friendliness, and self-cleaning, while the new Vredestein Endurion Trailer is a premium tyre solution that raises the bar in terms of robustness, comfort, and tyre life. The company hosted a special event during the year at its factory and research center in Enschede, the Netherlands and welcomed press and customers from across Europe to showcase our latest product offerings along with new products that will be available in 2023.

In the TBR segment, Apollo Tyres expanded its range of EnduRace RD2 truck and bus tires by adding new sizes to the highly-successful product line-up. The new sizes range from 315/70 and are exclusively available for 22.5-inch wheels, which is the standard for modern commercial truck and bus tires. The Apollo 'Regional Drive' tire is ideal for all weather conditions as it provides better traction and reduces rolling resistance, resulting in enhanced mileage and durability.

Major awards/ recognitions

In the passenger tyre segment, as a reward for our continuous efforts in producing test winning tyres, we won podium positions and accolades from leading industry magazines and test reports in Europe, namely AutoBild, AutoBild Allrad, AutoBild Sportscars, ADAC, AutoZietung, AutoMotorSport, AutoExpress UK, Consumer Report, Strassenverkehr, GuteFahrt, Tyre Review UK etc. We were 16 times test winners and 7 times podium finishers during the year for various passenger tyre segments. In addition, we were awarded as manufacturer of the year by Autobild and Best Brand 2023 by the consumer report during the year.

Research & Development

Company has been developing products and technology to cater to a global market and focuses on the development of Passenger Car tyres, Commercial tyres and Off-highway Tyres. The focus has been technological development of the EV tyres and using sustainable materials. Its activities include Material science, Simulation technology, Design & Construction, Process development and Testing. 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 four main pillars:

Product:

- Development of new advanced product generation of for PCR, Agri radial and TBR.
- Development of OE tyres for premium OEMs with focus on EV car platform
- Development new product lines to support the expansion to new Markets and Geographies
- Launch of Quatrac Pro EV (Europe) and Pinza HT for PCLT segment (US)
- Product extension of TBR tyres for the European and American Market
- OHT: 3 new Product lines based on Steelbelt technology (Endurion Trailer; Flotation Optimall; Terra Pro). Range extension of our flag ship VF Traxion Optimal

Technology:

- Development of Ultra Low Rolling Resistance and Noise Reduction (FOAM technology) for EV
- Development and implementation of Vehicle dynamics and Virtual Testing by FEA-Simulations and Driving simulator
- Study of Artificial Intelligence in Compounding
- Development and implementation of Tyre Sensor Technology (TPMS and RFID)

Materials:

- ❖ Development and implementation of Innovative Raw Materials (polymers, fillers and resins) and Reinforcement (textile, steel) partnering with Universities and Suppliers
- ❖ Development of Innovative Compounds and Reinforcement including new generations of polymers, fillers, resins and chemicals
- ❖ Development and implementation of Sustainable Raw Materials and Reinforcement partnering with Universities and Suppliers

Design to cost:

- ❖ Optimization of materials to reduce product costs
- ❖ Optimization of processes to increase productivity

Direction going forward:

- ❖ New Product Development as per Road Map for PCR, OHT and TBR
- ❖ Development of Product ready for Electrical Vehicle
- ❖ Selective OEM's approach to support Business priorities
- ❖ Technology development to enhance Rolling Resistance and Noise for PCR, Total Cost of Ownership for TBR and Productivity for OHT
- ❖ Development of tyre Simulation/ Vitual Prototying/Driving simulations and Artificial Intelligence in compounding enhancing the Efficiency
- ❖ Raw Materials Sustainability, Performance and Cost
- ❖ Innovative processes to improve consistency and productivity
- ❖ Further development of Tyre Sensors technology to support Tyre business proposition

During the year, the company has spent Euro 21.6 million on R&D activities.(FY22: 21.2 Mn)

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 non Euro countries Companies risk management policy requires up to 50 per cent of net currency exposure anticipated for a period of 6 to 12 months in advanced to be hedged. Derivative counter parties are limited to high-credit-quality financial institutions. Management continually monitors the entity's exposures to foreign currency risks as well as its use of derivative instruments. As of balance sheet date, there are is a limited number of derivatives or forward contracts.

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

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

Liquidity / Cash flow Risk: Board of directors has established an appropriate liquidity risk management framework for the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facility, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities. At balance sheet date the company does not have any utilisation under the working capital facility, have a headroom of about Euro 5 Mn. under Factoring facility, company has utilised the facility to the extent of Euro 8.8 Mn and is well within the agreed covenants as defined in the financing agreement.

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

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

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

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

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

Impact criterion: Financial impact on profitability

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

Overall risk rating (combined score)

- High: Risk score from 7 to 9
- Medium: Risk score from 3 to 6
- Low: Risk score up to 2

The objective of the Committee is to assist the Board of Directors in maintaining high standards of business conduct and good risk management practices to protect the company's assets, achieve sustainable business growth, avoid major surprises, and ensure compliance with applicable legal and regulatory requirements. As at 31st March 2023, committee has reported following key risks and mitigation plans to the board:

Risk No.	**Category**	**Function**	**Risk identified**	**Likelihood/ Impact**	**Mitigating controls of management**
1.	Strategic & Financial	Sales	Revenue loss, market share in TBR tyre sales	High	The company is working on implementing measures like onboarding new customers, exploring business opportunities with OE customers, establishing product performance, sell-in and discount campaigns etc.
2.	Strategic & Financial	Sales	High customer concentration	High	Company is monitoring 2 key KPIs to track the customer concentration in the relevant market: a) Max concentration ratio by country and customer segment & b) Share of account with key customers. The company is also working on Brand specific strategies to reduce over-dependence with focus on different customers
3.	Operational, Financial & Compliance	Quality	Non-conformity of tyres regarding label values	High	To put in place Standard Operating Procedures (SOP) for label value assessment, change management and COP monitoring, across the organization.
4.	Operational	Manufacturing	Risk of production stoppage due to multiple older machines in inadequate technical condition at Enschede Plant, Netherlands	Medium	The company has carried out complete evaluation of the plant on adequacy of the plant assets and machineries to execute the newly defined plant purpose. Critical asset list is available and Plant has identified assets and machineries to be made redundant post restructuring

5.	Operational & Financial	Finance	Negative impact on productivity due to high inflation and increase in energy price	Medium	The company has strengthened its energy hedging process to minimize the impact of high energy costs. Energy prices have dropped (and are dropping) significantly, reducing negative impact on profitability. An agile process to monitor, measure and pass on the effect of high inflation to the market to the extent feasible has been implemented
6.	Operational & Financial	Manufacturing	Risk of increase in complexity on production ramp-up GYO Plant, Hungary	Medium	The company has set-up process to: Redefine the plant's maximum capacity based on production complexity, Gap analysis and corrective action plan to deliver the target volume, to understand and manage complexity on daily operations

Development in Human Resources & Industrial Relations

The company has a diverse composition of employees in nationality, age, gender, education and work background.

As the group continues 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 organizational goals. We kept our habits to congratulate colleagues who had service anniversary and those who were awarded with prestigious "Employee of the year" and "Roll of Honour" recognition. The company inculcates the culture of innovation and its flagship programs like "Kaizen" and "Global Ideathon" enriched & resulted into several-hundred ideas from the employees.

During the year, the company has launched different traineeship programs for university graduates to gain initial work experience and to funnel our talent pipeline. The trainees participate in rotating assignments and with time are allocated more responsibilities before they grow into a permanent landing spot in the organization. The company has innovative people practices and has developed our new internal career portal where vacancies and career paths are better visible and approachable. This has led to an increase of internal career moves.

<u>Industrial relations</u>

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

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

The average number of employees in the Group was 1997 for the year 2022-23. (FY21-22:1985)

Netherlands plant

The company celebrated 75th anniversary of our Enschede Plant on October 29 with over 1000 colleagues and their family members. During the year, the plant trained various employees on VAPRO A and VAPRO B, to get a secondary vocational level degree leading to a fixed term employment contract with the company.

Hungary plant

The company celebrated 5th anniversary of our Hungary Plant on April 5 with colleagues and their family members. During the year, the plant organized leadership development training program for Team Leaders and Training Responsibles. Capability building and role enrichment training were also conducted in the plant. The plant also launched a new joiners program for an excellent start into the Apollo journey. Top management training on mindset and behaviour and labour code was also carried out during the year

The average statistical headcount for the year was 1145 and closing headcount as on March-22 was 1126.

Training & Development initiatives

To support the development of our key talents and future leaders we have deployed targeted training to further increase people management capabilities and soft skills to improve personal and team effectiveness across the different functions in Europe. The training set-up facilitates cross-functional participation which has been strengthening the network and connections between the training participants.

We have put attention to deliver impactful functional learning journeys that are in line with our business needs such as Key Account Management and Advanced Negotiations for our senior Sales Managers.

To provide an excellent start to our new joiners we have introduced a new induction program in which new employees learn about our Company history, purpose, values, product, management. The program is truly immersive by visiting our European Head Office as well as manufacturing plant and R&D office located in the Netherlands.

Gender Diversity

The company believes in providing equal opportunities for women and men at the workplace and is actively promoting gender diversity across various levels in the organization. The company has adopted the below gender diversity target:

Combined Target for Apollo Tyres (EU)BV + Apollo Tyres (NL) BV	% Female Representation as at 31 March 2023	Target % Female Representation as at 31 March 2028
Management Board	13%	25%
Supervisory Board	0%	17%
Sub Board Level	9%	20%

Environment & Sustainability

For the company, Sustainability is not just a 'good to have', but a 'must have' attribute to generate continual value for our stakeholders. The Company has taken a framework approach to deep root sustainability principles into its core operations and business goals. Sustainability is one of its 5 key growth pillars for achieving Vision 2026. The sustainability statement resonates with the Company's approach and outlines that company will continuously work towards achieving Sustainability across all its operations and value chain

The Company has a commitment to become carbon neutral by 2050. The short-term commitments are undertaken for FY26. In the reporting year FY23, the company has seen an improvement in the Decarbonization Roadmap 2026. The Energy & GHG efficiency improvements are:

- In reduction of Scope 1 emissions Intensity by 22 % due to various energy efficiency improvements such as waste heat recovery, process optimisation and using energy-efficient equipment.

- In reduction of Scope 2 emission intensity by 25% due to initiatives such as contribution of renewable electricity and other energy efficiency improvements within the Plants.

- Due to the implementation of 9.3 MW solar power plant, Renewable Energy initiative, at Hungary Manufacturing location.

CSR & Corporate Philanthropy

As per company's Community Development of Sustainability Roadmap 2026, following initiatives in Europe were undertaken:

- ACE-ing it for Voedselbank: Two week-long charitable drive was organised at the Enschede and Amsterdam facilities, which witnessed a participation of 770 employees and donated around 23 crates of non-perishable food items to underserved communities.

- 'Shoebox' campaign: The campaign encouraged employees to pack donations into shoeboxes which were then given as Christmas presents to children in need. A total of 44 gifts were donated in this initiative by our Hungarian employees.

- Blood donation camp: At Hungary plant, periodic blood donation camps were organised and over 175 employees volunteered for blood donation.

- Soccer School: Vredestein premium tyre brand, has collaborated with Manchester United and launched a program of 'Soccer School' days across Europe for providing children and young people with exclusive coaching sessions.

Safety, Health & Wellbeing

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

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

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

Central Functions

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

Enschede Plant, Netherlands

The Plant in Enschede is working with an integrated HSE management system, certified as per ISO 45001 (Health & Safety), ISO 14001 (Environment) and ISO 50001 (Energy) to ensure its structural improvement in these matters. In the past year, they have been investing in both machine- and fire safety, such as an upgrade in their fire evacuation systems. During the year, the Plant has been ensuring promotion of HSE and awareness. By means of the Apollo Safe Way, 100% of its employees are trained. On top, the Chairman Safety Award and the World Day for Health & Safety has been celebrated. Visually, on its premises, the newly launched Global Health & Safety mission statement and its Safety Absolutes are updated clearly present and visible for all.

Gyönyöshalasz Plant, Hungary

The Plant in Gyönyöshalasz had successful audits on ISO 45001 and ISO 14001 this year, and thus is working with a certified HSE management system. As part of this management system, the Plant has ensured standards to meet (legal) requirements, for instance for the purchase and use of working- and lifting equipment, besides complying to its SEVESO legislation. On its obligations on Fire Safety, the Plant has been ensuring compliance to (legal) standards, for instance by means of structural physical inspections on its fire safety wall, fire hydrants, fire extinguishers and its heat- and smoke equipment. On its environmental commitment, the Plant has for instance been working on the waste segregation by means of clear instructions to its employees.

Outlook

Economic Outlook:

The European economy continues to show resilience in a challenging global context. Lower energy prices, abating supply constraints and a strong labour market supported moderate growth in the first quarter of 2023, dispelling fears of a recession. As per the Spring 2023 forecast, the better-than-expected start to the year lifts the growth outlook for the EU economy to 1.0% in 2023 and 1.7% in 2024. On the back of persisting core price pressures, inflation has also been revised upwards to 5.8% in 2023 and 2.8% in 2024 in the euro area.

Tyre Market Outlook:

The European Tyre industry is still facing strong headwinds. Continued geopolitical situation of war in Ukraine and increasing cost pressure are causing inflationary pressure on the customers.

All Season and UUHP segment will continue to remain our focus passenger tyre segment and we currently offer the widest portfolio of All Season sizes in the market. In FY24, we will further develop new sizes particularly in fast growing Electric Vehicle segment. We will also introduce a successor for our popular Summer Tyre Ultrac. Strong on our success with Audi, BMW and Mercedes, we keep on working on new projects with the premium OEMs in Europe

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.

Developments after March 31, 2023

With the objective of a clear focus on manufacturing operations the company has splited the operations between two Netherlands based legal entities. As per this split, non-manufacturing activities like sales in local market, tyre sourcing from other companies and Head office activities will now be part of "Apollo Tyres (Europe) B.V." Enabling IT systems changes has been implemented with effective date of 1st April 2023. This split has no impact on the consolidated financial result of the company.

There are no other significant developments after the reporting date.

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

Amsterdam, The Netherlands, July 07 ,2023

On behalf of the Board of Directors

Benoit Rivallant **Pallavi Shroff**

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 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	498.009	523.628
Right-of-Use assets	4	10.935	14.856
Intangible assets	5	54.775	59.465
Deferred tax assets	6	1.229	9.591
Other non-current assets	7	342	1.063
Total non-current assets		**565.290**	**608.604**
Current assets			
Inventories	8	140.704	119.153
Trade receivables	9	126.442	100.393
Cash and bank balances	10	15.084	41.249
Other current assets	11	16.921	15.290
Derivative financial assets	14	60	-
Corporate Advance tax paid	12	-	2.483
Total current assets		**299.210**	**278.568**
Total assets		**864.501**	**887.172**

(Euro x1,000)	Notes	As at 31 March 2023	As at 31 March 2022
Equity and liabilities			
Total group equity	13	**486.273**	**449.513**
Non-current liabilities			
Lease liabilities	4	5.786	8.598
Deferred tax liability	6	18.314	23.458
Pension liabilities	15	7.125	9.163
Other non-current liabilities	16	80.776	95.463
Borrowings	18	66.319	101.461
Total non-current liabilities		**178.320**	**238.143**
Current liabilities			
Trade and other payables	17	145.579	161.103
Lease liabilities	4	5.667	6.795
Derivative financial liabilities	14	345	-
Corporate Income Tax Payable	12	6.315	2.612
Borrowings	18	42.001	29.007
Total current liabilities		**199.907**	**199.516**
Total equity and liabilities		**864.501**	**887.172**

Consolidated statement of income

(Euro x1,000)	Notes	Period ended 31 March 2023	Period ended 31 March 2022
Net Sales	**19**	**684.382**	**585.074**
Other operating Income	**20**	**3.799**	**3.655**
Changes in inventories of finished goods and work in progress	21	-20.351	-30.668
Raw materials and purchase of Finished goods	22	325.626	277.884
Employee expenses	23	127.807	118.097
Depreciation and amortisation expenses	24A	48.051	53.414
Other expenses	24B	143.318	120.528
Total expenses		**624.451**	**539.254**
Profit before interest and taxes		**63.730**	**49.474**
Interest expense	25	-4.751	-5.655
Interest income	25	176	38
Net interest expense		**4.575**	**5.617**
Profit before taxes		**59.155**	**43.857**
Income tax expense	26	-12.219	-9.945
Net Profit		**46.936**	**33.912**

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

Consolidated statement of comprehensive income

(Euro x1,000)	Note	Period ended 31 March 2023	Period ended 31 March 2022
Net Profit		**46.936**	**33.912**
Items that will never be reclassified to profit and loss			
Actuarial gains or losses on pension plans	15	2.812	-784
Tax on actuarial gains or losses on pension plans	15	-649	181
Reclass from retained earnings		-	603
		2.163	**0**
Items that are or may be reclassified to profit and loss			
Translation differences on foreign operations		-12.339	-6.245
Total other comprehensive income		**-10.176**	**-6.245**
Total comprehensive income for the year		**36.760**	**27.667**

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

Consolidated statement of changes in equity

-	Issued Capital	Share premium reserves	Legal reserves - Translation of foreign operations	Legal Reserves - Capitalised development	Actuarial gains or losses on pension plans	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2021	**18**	**225.800**	**-74.723**	**44.896**	**-2.325**	**320.260**	**-52.081**	**461.846**
Profit for the period	-	-	-	-	-	-	33.912	33.912
Other comprehensive income, net of income tax	-	-	-6.245	-	603	-603	-	-6.245
Dividends	-	-	-	-		-40.000	-	-40.000
Capital Contribution								-
Appropriation of result						-52.081	52.081	
Transfers to and from reserves	-	-	-	-4.215	-	4.215		-
Total as at 31 March 2022	**18**	**225.800**	**-80.967**	**40.681**	**-1.722**	**231.791**	**33.912**	**449.513**
Profit for the period	-	-	-	-	-	-	46.936	46.936
Other comprehensive income, net of income tax	-	-	-12.339	-	2.163	-	-	-10.176
Appropriation of result	-	-	-	-	-	33.912	-33.912	-
Transfers to and from reserves	-	-	-	-3.993	-	3.993	-	-
Total as at 31 March 2023	**18**	**225.800**	**-93.307**	**36.688**	**441**	**269.696**	**46.936**	**486.273**

The Legal reserves are non-distributable.

Consolidated statement of cash flows

(Euro x 1,000)	**Period ended 31 March 2023**	**Period ended 31 March 2022**
Profit/ (loss) before tax for the year	59.155	43.857
Depreciation and amortisation	48.051	53.414
Interest	4.575	5.617
Amortisation of State Aid Subsidy	-1.918	-2.116
Other non-cash items	-19	-463
Cash flows from operating activities	**109.843**	**100.309**
Movements in working capital		
Decrease /(increase) in inventories	-21.550	-36.815
Decrease /(increase) in trade receivables	-26.049	-15.273
Decrease /(increase) in other non-current assets	2.454	-751
Decrease /(increase) in other current assets	9.084	-8.442
(Decrease)/increase in current liabilities	-18.520	36.768
(Decrease)/increase in non-current liabilities	-18.785	2.113
Cash increase due to working capital	**-73.365**	**-22.400**
Cash generated from operations	**36.478**	**77.909**
Net (tax paid) / received	-3.486	-1.274
Net cash generated by operating activities	**32.992**	**76.635**
Cash flows from investing activities		
Payments for property, plant and equipment	-17.807	-18.002
Capitalization intangibles	-7.431	-5.918
Proceeds from disposal of property, plant and equipment	-	552
State aid subsidy	-29	973
Net cash (used in) /generated by investing activities	**-25.267**	**-22.395**
Cash flows from financing activities		
Repayment from borrowings	-29.750	-14.000
Receipts from IC loan	6.000	-
Payment of lease liabilities	-5.565	-6.723
Dividend to holding company	-	-40.000
Interest received	176	38
Interest paid	-4.751	-5.655
Net cash used in financing activities	**-33.890**	**-66.340**
Net decrease/increase in cash and cash equivalents	**-26.165**	**-12.100**
Cash and cash equivalents at the beginning of the financial year	41.249	53.349
Cash and cash equivalents at the end of the financial year including bank overdraft	**15.084**	**41.249**

Notes to the consolidated annual accounts for 2022-23

1. General information

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

As at reporting date, Apollo Tyres Coöperatief U.A. owns 100% of the shares in Apollo Tyres (Europe) B.V. The ultimate parent of Apollo Tyres (Europe) B.V. is Apollo Tyres Ltd., India. Apollo Tyres Ltd. files its annual report with Bombay Stock Exchange (India). Apollo Tyres (Europe) B.V. concentrates on manufacturing, marketing, sales and distribution of tyres and supplies tyres for passenger cars, agricultural and industrial vehicles and bicycles. The company's distribution network extends through Europe. The company's products are also sold in North America and to sister companies in Asia. The 2022-2023 financial statements are prepared by the Board of Directors 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 company financial statements in terms of Title 9 BW 2 of Dutch civil code. The consolidated financial statements have been prepared at historical cost, unless indicated otherwise. The accounting policies outlined below were applied consistently for all the periods presented in these consolidated financial statements. The financial data of subsidiaries are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.
The Management Board has performed a going concern assessment including cash flow forecasting for a period of 12 months up to the date of the financial statements, and has not identified any going concern risks. The financial statements have been prepared under the assumption that the Group operates on a going concern basis.

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

New Standards and interpretations

A number of new and amended standards are effective from 1 January 2022, but they do not have a material effect on the Group's financial statements:

• Reference to the Conceptual Framework – Amendments to IFRS 3
• Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
• Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
• IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter • IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
• IAS 41 Agriculture – Taxation in fair value measurements

Standards and interpretations effective and not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments), effective 1 January 2024
- Amendments to IAS 1 *Presentation of Financial* Statements and IFRS Practice Statement 2: *Disclosure of Accounting policies,* effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback, effective 1 January 2024
- Amendments to *IFRS 17 Insurance contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, effective 1 January 2023
- IFRS 17 *Insurance Contracts*, effective 1 January 2023
- Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules2*
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures,* effective 1 January 2024

2.2. Basis for Consolidation

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

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

	As at 31 March 2023	**As at 31 March 2022**
Apollo Tyres (NL) B.V.	100%	100%
Apollo Tyres Hungary Kft	100%	100%
Vredestein Consulting B.V., - The Netherlands	100%	100%
Finlo B.V., Enschede - The Netherlands	100%	100%
Apollo Tyres (Belux) SA, - Belgium	100%	100%
Apollo Tyres (Germany) GmbH, - Germany	100%	100%
Apollo Tyres (UK) Sales Ltd, – United Kingdom	100%	100%
Apollo Tyres (France) SAS, – France	100%	100%
Apollo Tyres (Austria) Gesellschaft m.b.H., – Austria	100%	100%
Apollo Tyres (Iberica) SA, – Spain	100%	100%

Apollo Tyres (Nordic) AB, - Sweden	100%	100%
Apollo Tyres (Schweiz) AG, –Switzerland	100%	100%
Apollo Tyres (Hungary) Sales Kft., - Hungary	100%	100%
Apollo Tyres (Polska) Sp Zo.o, - Poland	100%	100%

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

2.3 Foreign currency translation

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

2.4 Significant estimates and judgments

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

2.4 B Macro economic circumstances

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

2.5 Net sales / Revenue recognition

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.

Step	Outcome of analyses
Step 1 : Identify the contract(s) with a customer	Our revenues are governed by explicit and implied contracts with customers, and with MSA's. Together with the purchase orders of customers we conclude that nearly all contracts are in scope of IFRS 15.
Step 2: Identify the performance obligations in the contract	The purchase orders governed by the contracts have multiple promises on sale of goods, however we consider these promises as significant service of integrating goods and services, so not distinct in the context of the contracts. We distinguish only one PO per contract.
Step 3: Determine the transaction price	We do see some variable components in the transaction price of the analysed contracts at the time of inception, but for annual account purposes these are not variable anymore as over a year they can be fairly accurate calculated and fixed. The contractual period for the bonus calculation in the vast majority of cases ends at a quarter- or year-end so all elements (volume and prices) to calculate the agreed bonus are available at year-end.
Step 4: Allocate the transaction price to the performance obligations in the contract	As concluded under step 2 we see a single performance obligation, therefore the total consideration should be allocated to this single performance obligation. Based on step 3 we conclude that variable consideration to the distinct performance obligation is not applicable. The transaction price at inception is therefore fully allocated to the single performance obligation identified.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	Our customers obtain control on or shortly after the date the goods are shipped from our warehouse to the customer. We recognise revenue at the moment the goods are transferred to the customer

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

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

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

2.5B Government grants
A government grant is recognised only when there is reasonable assurance that (a) the company will comply with any conditions attached to the grant and (b) the grant will be received.
The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

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

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

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

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

2.7 Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

2.8 Property, plant and equipment

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

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

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

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

2.9 Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.12 Financial instruments

I. Recognition and initial measurement

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

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

II. Classification and subsequent measurement

Financial assets:

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

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

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

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

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 13). On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

III. Derecognition

Financial assets

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

Financial liabilities

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

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

IV. Offsetting

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

V. Derivative financial instruments and hedge accounting

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

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

VI. Impairment

Non-derivative financial assets:

Financial instruments and contract assets

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

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

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

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

2.13 Pension liabilities

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

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

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

2.15 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any

reimbursement. The level of the provisions reflects the best estimate of Apollo Tyres (Europe) B.V. on the balance sheet date, regarding expected expenditures. The liabilities are discounted to their present value if it falls due after 12 months. 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.

2.16 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability Or

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

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

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

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

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.17 Equity, reserves and dividend payments
Share capital represents the nominal (par) value of shares that have been issued.

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

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

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

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

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

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

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

3. Property, plant and equipment

(Euro x 1,000)	Land & accommo dations	Building	Moulds & formers	Assets under con-traction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2021	**24.752**	**163.116**	**104.827**	**5.098**	**10.304**	**779.001**	**1.087.098**
Additions	-22	-19	2.881	4.646	1.484	10.155	19.126
Disposals			-429		-63	-6.382	-6.874
Transfer							
Foreign currency translation	-70	-1.352	-283		-467	-4.077	-6.249
Balance as at 31 March 2022	**24.661**	**161.745**	**106.995**	**9.744**	**11.258**	**778.697**	**1.093.101**
Additions		5.122	2.865	108	1.181	7.152	16.428
Disposals		-12	-2.316		-127	-87.147	-89.602
Transfer							
Foreign currency translation	-168	-3.046	-511		-1.065	-9.211	-14.001
Balance as at 31 March 2023	**24.492**	**163.810**	**107.032**	**9.852**	**11.247**	**689.491**	**1.005.925**
Accumulated depreciation							
Balance as at 31 March 2021	**2.645**	**40.663**	**90.585**		**8.151**	**399.675**	**541.720**
Depreciation for financial year	110	2.889	6.825		1.446	24.414	35.684
Disposals			-253		-63	-5.988	-6.304
Foreign currency translation		-176	-252		-92	-1.106	-1.627
Balance as at 31 March 2022	**2.754**	**43.376**	**96.905**		**9.442**	**416.995**	**569.472**
Depreciation for financial year	107	2.732	4.619		579	23.462	31.499
Disposals		-12	-2.316		-127	-87.147	-89.602
Impairment						-1.686	-1.686
Foreign currency translation		-191	-406		-136	-1.033	-1.767
Balance as at 31 March 2023	**2.861**	**45.905**	**98.802**		**9.757**	**350.590**	**507.915**
Balance NET BLOCK as at 31 March 2023	**21.631**	**117.905**	**8.231**	**9.852**	**1.490**	**338.901**	**498.009**
I Balance NET BLOCK as at 31 March 2022	**21.906**	**118.369**	**10.090**	**9.744**	**1.816**	**361.702**	**523.628**

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

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

c) During the Year, one of the company’s Subsidiary disposed of certain Plant & Machinery items. These assets were part of impairment provision considered during financial year 2020-21.

4. Leases

The Group distinguishes three types of leases:

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

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

Right-of-use assets

(Euro x 1,000)	Buildings	Lease Cars	Machine and equipment	Other	Total
Carrying amount at 31 March 2021	**14.671**	**2.467**	**2.095**	**43**	**19.277**
Investments	-	1.738	307	50	2.096
Currency differences	39	2	1	-1	42
Depreciation	-3.748	-1.718	-1.040	-53	-6.559
Reclasses *	-589	17	571	3	-
Carrying amount at 31 March 2022 *)	**10.373**	**2.506**	**1.934**	**42**	**14.856**
Investments	347	1.027	113	-40	1.447
Currency differences	10	-9	3	-	3
Depreciation	-3.163	-1.490	-716	-2	-5.371
Carrying amount at 31 March 2023	**7.567**	**2.034**	**1.334**	**0**	**10.935**

Lease liabilities

(Euro x 1,000)	Buildings	Lease Cars	Machine and equipment	Other	Total
Balance at 31 March 2021	**15.114**	**2.541**	**2.115**	**44**	**19.815**
Additions	-	1.683	307	50	2.040
Repayments	-3.853	-1.752	-1.064	-54	-6.723
Currency differences	40	2	1	-	42
Interest charged to the income statement	164	34	21	-	219
Reclasses *)	-582	23	559	-	-
Balance at 31 March 2022 *)	**10.883**	**2.531**	**1.939**	**40**	**15.393**
Additions	338	1.016	125	-22	1.458
Repayments	-3.279	-1.535	-733	-18	-5.565
Currency differences	10	-10	6	-	6
Interest charged to the income statement	118	32	14	-	164
Balance at 31 March 2023	**8.070**	**2.034**	**1.351**	**0**	**11.453**

*) The opening balance numbers have been reclassed to align with current split of assets and liabilities. The totals have not changed.

Amounts recognised in profit or loss

(Euro x 1,000)	Buildings	Lease Cars	Machine and equipment	Other	Total
Period ended 31 March 2023					
Depreciation of right-of-use assets	3.163	1.490	716	2	5.371
Interest on lease liabilities	118	32	14	-	164
Total	**3.281**	**1.522**	**730**	**2**	**5.535**

(Euro x 1,000)	Buildings	Lease Cars	Machine and equipment	Other	Total
Period ended 31 March 2022					
Depreciation of right-of-use assets	3.748	1.718	1.040	53	6.559
Interest on lease liabilities	164	34	20	1	219
Total	**3.912**	**1.752**	**1.060**	**54**	**6.778**

Ageing of lease liabilities

(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 2023				
Lease liabilities	5.667	2.173	3.451	162
As at 31 March 2022				
Lease liabilities	6.795	2.649	4.683	1.267

Extension Options

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

Lease Expenses in Operating Expenses

The total amount in our operating expenses related to short-term leases, low value assets and expenses related to variable lease payments not included in the measurement of lease liabilities is € 0.8 million (2022: € 0 million).

5. Intangible Assets

(Euro x 1,000)	Develop-ment	Brand names	Software	Total
As at 31 March 2021				
Cost	99.499	12.900	33.316	145.715
Depreciation	-54.602	-	-25.887	-80.489
Book value	**44.896**	**12.900**	**7.429**	**65.226**
Changes in book value				
Investments	5.670	-	248	5.918
Divestments- acquisition value	-7.736			-7.736
Divestments- depreciation	7.736		18	7.754
Currency translation difference	-555		30	-524
Depreciation for financial year	-9.330	-	-1.842	-11.172
Balance	**-4.215**	**-**	**-1.546**	**-5.761**
As at 31 March 2022				
Cost	96.886	12.900	33.457	143.243
Depreciation	-56.204	-	-27.573	-83.778
Book value	**40.681**	**12.900**	**5.884**	**59.465**
Changes in book value				
Investments	6.548	-	883	7.431
Divestments- acquisition value				
Divestments- depreciation			-119	-119
Currency translation difference	-649		-181	-830
Depreciation for financial year	-9.892	-	-1.280	-11.172
Balance	**-3.993**	**-**	**-697**	**-4.690**
As at 31 March 2023				
Cost	102.881	12.900	34.109	149.890
Depreciation	-66.193	-	-28.922	-95.115
Book value	**36.688**	**12.900**	**5.187**	**54.775**

The Brand names have an indefinite life as the company has no intention to change names. An impairment test on the Brand names was carried out as at Mar 31, 2023, details of the test are outlined in table below. Based on the present value-in-use calculation, no impairment is deemed necessary:

Test method	"Relief from Royalty method" –
Discount Rate	9.0%
Growth Rate	1.25%
Book Value (Eur'000)	12.900
Number of years for which cash flows where considered to calculate DCF	5 years
Test Result	No Impairment Loss

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

6. Deferred tax

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Deferred tax asset movement		
At beginning of the year as previously reported	9.591	22.260
Current year addition / (charge)	-8.363	-12.669
At end of the year	**1.229**	**9.591**

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Deferred tax liability movement		
At beginning of the year as previously reported	23.458	28.916
Current year addition / (charge)	-5.144	-5.458
At end of the year	**18.314**	**23.458**

Deferred tax	Period ended 31 March 2023	Period ended 31 March 2022
Deferred tax assets:		
Tax losses carried forward	10.053	16.067
Pension benefit plans and jubilee provision	1.188	844
Profit elimination of unsold stock at subsidiaries	-1.173	313
Lease Liability	5.574	3.879
Others	602	748
Gross Deferred Tax Asset	**16.244**	**21.851**
Set Off Deferred Tax Liability	-15.015	-12.260
Total Deferred tax asset	**1.229**	**9.591**
Deferred tax liability		
Property, plant and equipment	22.130	27.883
Lease assets	5.545	
Pre-operatives	2.567	2.601
Brand names	3.328	3.367
Intangible Assets	408	408
Others	-648	1.459
Gross Deferred Tax Liability	**33.330**	**35.718**
Set off Deferred Tax Asset	-15.015	-12.260
Total Deferred tax liability	**18.314**	**23.458**
Net deferred tax liability	**17.086**	**13.867**

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.

7. Other non-current assets

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Rent deposits	342	1.063

The amortized cost approximates the fair value.

8. Inventories

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Raw materials	15.945	17.724
Work in progress	11.237	9.037
Finished goods	91.180	55.798
Stock-in-trade	8.412	25.643
Consumable stores	13.929	10.951
Total	**140.704**	**119.153**

The finished goods, work-in-progress and the consumable stores have been ceded as security for liabilities of the company. The cost of inventories recognized as an expense during the year in respect of continuous operations was EUR 247 million. Inventories include an allowance for slow moving/obsolete stock of EUR 1.0 million (2022:EUR 1.3 million).

9. Trade receivables

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Trade receivables	135.640	109.722
Allowance for doubtful debts	-9.199	-9.330
Total	**126.442**	**100.393**

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

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

The Net Receivable position as at 31 Mar 2023 excludes an amount of Eur 8.8 million (2022: Eur 10.2 million) received under the Non recourse Purchase of Eligible Receivables agreement (factoring agreement). These amounts are derecognised in its entirety following collection based on the factoring agreement. .

Ageing of past due but not impaired receivables

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
0 - 60 days	8.108	1.840
61 - 180 days	733	-
more than 180 days	-	-
Total	**8.841**	**1.840**

The total not past due for FY 2022-23 amounts to Eur 119 million (2022: EUR 100 million). This amount includes an amount of Eur 13 million due from Apollo Group companies (2022: Eur 9 million).

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-9.330	-9.135
Addition	-660	-314
Utilisation / reversal	791	119
Balance at end of year	**-9.199**	**-9.330**

10. Cash and bank balances

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Cash at bank	**15.084**	**41.249**

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

11. Other current assets

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Prepayments	2.453	690
VAT recoverable	14.234	13.488
Other receivables	234	1.111
Total	**16.921**	**15.290**

12. Corporate tax (receivable/payable)

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Corporate Advance Tax Paid	-	2.483
Provision for tax	-6.315	-2.612
Net corporate tax position	-6.315	-128

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

13. Total group equity

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

14. Derivative financial assets and liabilities

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Current assets relating to derivative financial instruments	60	-
Current liabilities relating to derivative financial instruments	345	-
Total net position	**-285**	**-**

All derivatives relate to forward foreign currency contracts.

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

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

15. Pension Liabilities

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

At reporting date, employees of Apollo Tyres (NL) B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance Company. Apollo Tyres (NL) B.V. has no legal or constructive obligation to pay further contributions and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.
The pension liability Apolllo Tyres (Germany) GmbH is valued using the German Law on Modernisation of Accounting Regulations (BilMoG). The entity has no specific (governance) responsibilities with regards to the plan. As the plan is state operated, no entity specific / plan specific risk are applicable other than described above. The valuation method applied

is based on the project unit credit method. The 2018 G Standard Tables of Prof. Dr. Heubeck are used as biometric basis. The service period is limited to 40 years resulting in a maximum yearly entitlement (for the first 5 years of credited service) of 0.60% of Average Pay up to the final average social security contribution ceiling (SSCC) and 15% of Average pay exceeding the final average SSCC. For each year of credited service exceeding 5 years there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1% of Average pay exceeding the final average SSCC. For each year of credited service there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1.20% of Average pay exceeding the final average SSCC.

(Euro x 1,000)	**As at 31 March 2023**	**As at 31 March 2022**
Pension liabilities		
Defined benefit plan Apollo Tyres (Germany) GmbH	7.061	9.163
Defined benefit plan Apollo Tyres (Schweiz) AG	65	-
At end of the year	**7.125**	**9.163**

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

Assumptions Apollo Tyres (Germany) GmbH	**Period ended 31 March 2023**	**Period ended 31 March 2022**
Inflation	2.2%	2.0%
Indexation non-active members	2.2%	2.0%
Mortality table	Heubeck 2018G	Heubeck 2018G
Individual salary increase (dependent on age)	3%	3%
Discount rate	3.8%	1.7%

Defined benefit pension plan (Euro x 1,000)	**As at 31 March 2023**	**As at 31 March 2022**
Defined benefit obligation		
Balance at beginning of the year	**-9.162**	**-9.727**
Service costs	-189	-225
Interest expense	-153	-105
Benefits paid	281	292
Remeasurements due to experience	-293	-121
Remeasurements due to change in financial assumptions	2.456	724
Balance at end of year	**-7.061**	**-9.163**
Net balance pensions liability		
Defined benefit obligation		
Plan assets		
Unfunded status	**-7.061**	**-9.163**
Net balance pensions liability	**-7.061**	**-9.163**

Movement of net liability

Balance at beginning of the year	**-9.163**	**-9.727**
Service cost		
Past service cost		
Current service cost	-189	-225
Interest expense	-153	-105
Defined benefit cost recognized in profit and loss	-342	-330
Defined benefit cost recognized in OCI	2.163	603
Benefits paid / contributions paid	281	292
Other adjustments	-	-
Balance at end of the year	**-7.061**	**-9.163**

The defined benefit cost recorded in profit and loss is recognized in the income statement. The key assumptions regarding the calculation of the defined benefit obligation are included below. These summarize the effects on the defined benefit obligation if there would be a change in the assumption mentioned.

Sensitivity analysis	**Change in assumption**	**Change in defined benefit obligation**
Discount rate	Increase by 1.00%	-12.41%
Salary increase	Increase by 0.50%	+0.85%
Inflation	Increase by 0.25%	+2.67%

Maturity profile
(Euro x 1,000)

Expected payments during fiscal year ending 31/03/2024	326
Expected payments during fiscal year ending 31/03/2025	332
Expected payments during fiscal year ending 31/03/2026	349
Expected payments during fiscal year ending 31/03/2027	359
Expected payments during fiscal year ending 31/03/2028	374
Expected payments during fiscal year ending 31/03/2029 through 31/3/2033	1.965

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

Active participants	2.265
Deferred participants	1.058
Pensioners	3.739

Expected Contributions for the period ending 31/03/2024

Employer	0
Plan participants	0

Weighted average Duration of Defined Benefit Obligations: 13.83 years

16. Other non-current liabilities

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Deferred Subsidy Income	33.294	36.376
Jubilee benefits	1.332	1.216
Deferred tax payments	46.150	57.870
Total other non-current liabilities	**80.776**	**95.463**

Deferred tax payments are deferred payments to the Dutch tax authorities in relation to Covid-19 rulings.

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

For the provision as at March 31, 2023, following was considered: Salary Increase: 3%, Discount Rate 1.5%, Retirement Age: 67 years and Retention rate: 6.4%

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

Movement in the Jubilee provision

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	1.216	1.281
Remeasurements	116	-65
Closing balance	**1.332**	**1.216**

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

Deferred Subsidy Income

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

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

During the financial year FY 2021-22, HUF760 Million (HUF 838 Million – FY 2020-21) was amortised as income in consolidated statement of profit and loss. Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred Income under other non-current liabilities.

During the financial year FY 2021-22, the Company has received grant (VNT3) for HUF 359 Million against its ongoing project for finished goods warehouse expansion. Amortization of subsidy will start post completion of project. Monitoring period of grant starts in April 2023 and will end by March 2025.

Movement in Deferred subsidy income

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	36.376	38.068
Effect of translation difference opening balance	-1.164	-549
Receipt during the year	-	973
Amortization during the year	-1.918	-2.116
Closing balance	**33.294**	**36.376**

17. Trade and other payables

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Trade payables	46.640	56.601
Payable to related parties	20.674	32.031
Payables related to Capital Goods	4.616	5.994
Sales deductions	15.088	12.826
Interest accrued but not due	-9	432
Tax & social premiums	5.397	3.376
Tax & Social Premiums (Government Dues)	10.429	5.426
Other Employees Payable	2.602	5.069
13th month	727	871
Leave pay	1.368	1.838
Holiday allowance	1.908	1.914
Statutory payable	18.294	16.102
Statutory Payable (Government Dues)	1.930	1.004
Other payables and accruals	15.915	17.619
Total trade and other payables	**145.579**	**161.103**

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

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

18. Borrowings

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Long-term borrowings	66.500	103.250
Less: Capitalised borrowing costs	-181	-1.789
Total Long term borrowings	**66.319**	**101.461**
Short term part of borrowings	42.750	29.750
Less: Capitalised borrowing costs	-749	-743
Total short term part of borrowings	**42.001**	**29.007**
Total Borrowings	109.250	133.000
Less: Capitalised borrowing costs	-930	-2.532
Total Borrowings	**108.320**	**130.468**

Movement in Borrowings

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	130.468	143.725
New loan AT Coop (related party)	6.000	-
Repayment in the year	-29.750	-14.000
Amortization of capitalised borrowing costs	1.602	743
Closing balance	**108.320**	**130.468**

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

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

The interest rate is based on EURIBOR plus a margin.

Gearing Ratio

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Net debt	94.166	91.751
Equity	486.273	449.513
Net debt to equity ratio	19.3%	20.4%

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

Net Debt

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Long Term Borrowings	66.500	103.250
Short Term Borrowings	42.750	29.750
Less: Cash Balance	-15.084	-41.249
Net Debt	**94.166**	**91.751**

With the present net borrowing position of EUR 94.2 million, the leverage ratio is 0.9. This is within the limit agreed with the various lenders of a maximum debt cover of 3.5.

The Other Covenant Ratios for the Borrowing as at 31 March 2023 are included in the table below.The actual numbers noted as on Reporting date are within the limits agreed.

Covenant	Requirement	As at 31.03.2023
Debt Service Coverage	>1.20	1.26
Fixed Assets Coverage	>1.50	4.56
Net Worth (Consolidated)	Positive	EUR 449.6 Mn

19. Revenue

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

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Revenue from Europe	647.171	564.634
Revenue Outside Europe	37.211	20.440
Total	**684.382**	**585.074**

20. Other operating Income

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Royalty Income	352	153
Subsidy income	1.915	2.116
Profit on Sale of Assets	32	136
Others	1.500	1.250
Total	**3.799**	**3.655**

During the financial year FY 2022-23, EUR 1.9 million (HUF760 million) was amortised as income in consolidated statement of profit and loss (2022: EUR 2.1 million (HUF 760 million) Amortisation of grant is based on relevant assets depreciation which have been subsidised. The un-amortized portion of grant has been retained in deferred Income under other non-current liabilities.

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

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Opening Stock		
Work in progress	9.037	5.883
Stock-in-trade	25.643	10.132
Finished goods	55.798	43.795
	90.478	**59.810**
Closing Stock		
Work in progress	11.237	9.037
Stock-in-trade	8.412	25.643
Finished goods	91.180	55.798
	110.829	**90.478**
Changes in work in progress and finished goods	**-20.351**	**-30.668**

22. Raw materials and consumables used

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Raw materials consumed	199.128	178.057
Purchase of finished goods	126.498	99.826
Total	**325.626**	**277.884**

23. Employee expenses

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Wages, salaries and welfare	111.086	102.082
Pension & social contribution	16.721	16.015
Total employees cost	**127.807**	**118.097**

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

24A Depreciation & amortisation

Depreciation and amortisation expenses

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Amortisation of intangible assets	11.172	11.171
Depreciation right-to-use assets	5.380	6.559
Depreciation of property, plant and equipment	31.498	35.684
Total costs	**48.051**	**53.414**

24B Other expenses

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Stores and spares consumed	3.003	2.760
Power and fuel	25.751	14.561
Repairs and maintenance :-		
- Machinery	7.025	5.701
- Others	5.305	5.473
Travelling, conveyance and vehicle expenses	3.517	2.257
Freight and forwarding	40.114	34.692
Advertisement and publicity	19.255	16.637
Research and development	21.647	21.266
Short term and low value lease expenses	783	-46
Corporate charges	4.803	5.601
Postage, telephony and stationary	1.375	1.254
Insurance	2.566	2.490
Foreign currency loss	3.589	479
Technical claims	1.604	1.087
Rates and taxes	720	844
Software fees	442	482
Royalty	553	416
Legal and professional expenses	785	1.645
Audit fees	503	555
Membership fees	564	553
Bank charges	340	407
Reversal of Impairment)	-2.699	-
Other cost	1.773	1.414
Total other operating expenses	**143.318**	**120.528**

*) During the Financial year 2020-21, Company had recorded a loss of EUR 68.84 million towards specialisation of its Enschede Plant. The amount included a provision for redundancy compensation for employees & impairment for certain identified assets. During the current Financial Year, it was identified that Euro 2.7 million of the related provision was no longer required and could be released and reported as a gain in the income statement.

25. Interest

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Interest expenses on borrowings	2.623	3.336
Interest expenses on factoring	204	110
Interest costs on leases	219	164
Interest on government dues	476	-
Amortisation capitalised borrowing costs	747	743
Agency fees	366	30
Interest on CIT assessment	-	815
Other interest expenses	116	457
Interest income	-176	-38
Total	**4.575**	**5.617**

26. Income tax expense

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Current taxation	8.752	353
Deferred taxation	3.467	9.592
Total	**12.219**	**9.945**

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

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Income before taxes	59.155	43.857
Tax based on Dutch tax rate	15.262	10.927
Other statutory rate of foreign countries	-2.332	-1.755
Change in tax rate	-	230
Non-deductible expenses	25	16
Others	-735	527
Total	**12.219**	**9.945**

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

	CY 20	CY 21	CY 22	CY 23 *
Profit up to Eur 200k	19%	16.5%	15.0%	16%
Profit above Eur 200k	25%	25%	25.8%	25.8%

* As our Financial year is April to March - we use CY 22 rate for 9 months 9 Apr – Dec 22) & CY 23 rates for 3 months (Jan23 – Mar 23)

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

Below is the detail for the current year deferred taxation:

(Euro x 1,000)	Period ended 31 March 2023
Tax effect of items constituting deferred tax liabilities:	
Deviating valuation property, plant and equipment	1.466
Others	88
Reversal of Opening positions through current year PL	2.072
Total:	**3.626**

Tax effect of items constituting deferred tax assets:	
Carried forward tax loss	-5.673
Profit elimination of unsold stock at subsidiaries	511
Lease liability	-1.162
Deviation valuation employee benefits	-674
Other	863
Reversal of Opening positions through current year PL	958
Total:	**-7.093**
Net Deferred tax:	**-3.467**

(Euro x 1,000)	**Period ended 31 March 2023**	**Period ended 31 March 2022**
Actuarial gains and losses on pension plans	649	-181

27. Financial assets by category

As at March 2023 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	15.084			**15.084**
Trade receivables	126.442			**126.442**
Derivative financial assets		60		**60**
Other current assets	14.468			**14.468**
	155.994	**60**		**156.054**

As at March 2022 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Cash and cash equivalents	41.249			**41.249**
Trade receivables	100.393			**100.393**
Derivative financial assets		-		**-**
Other current assets	17.086			**17.086**
	158.728	**-**		**158.728**

28. Financial liabilities by category

As at March 2023 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Trade and other payables	145.579			**145.579**
Other non-current liabilities	80.776			**80.776**
Derivative financial liabilities		345		**345**
Borrowings	108.320			**108.320**
	334.675	**345**	**-**	**335.020**

As at March 2022 (Euro x1,000)	Amortised costs	FVTPL	FVTOCI	Total
Trade and other payables	161.103			**161.103**
Other non-current liabilities	57.870			**57.870**
Derivative financial liabilities		-		**-**
Borrowings	130.468			**130.468**
	349.441	**-**	**-**	**349.441**

29. Risk management

General

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

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

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

Credit risk management

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

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

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

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 2023	As at 31 March 2022
Cash and cash equivalents	15.084	41.249
Trade receivables	126.442	100.393
Derivative financial assets	60	-
Other current assets	14.468	17.086
Total	**156.054**	**158.728**

Impairment results on financial assets recognised in profit or loss only relate to trade receivables and were EUR 0.1 million (release) as per 31 March, 2023 (2022: EUR 0.3 million loss).

Capital risk management

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

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

Liquidity risk management

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

Our borrowings amounted to EUR 109 million as at 31 March 2023, as part of a financing agreement with consortium of banks led by Standard Chartered Bank.

The extent of the risk that the ratios agreed with lenders are exceeded is regularly determined. With the present net borrowing position of EUR 93.8 million, the leverage ratio is 0.9. This is within the limit agreed with the various lenders of a maximum debt cover of 3.5. The agreed maximum leverage of 3.5 would be reached if the operating result fell by 67%.

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

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 March 2023				
Pension liabilities	326	332	1.083	5.385
Derivative financial liabilities	5.667			
Trade and other payables	145.579			
Borrowings	42.750	66.500		
As at 31 March 2022				
Pension liabilities	288	297	957	7.621
Derivative financial liabilities	-			
Trade and other payables	161.103			
Borrowings	29.750	103.250		

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 2022/23 in respect of the currency risk of our positions outside the euro area – for large majority related to USD and GBP position- to a 10% change in the exchange rate of the euro is EUR 3.4 million. The effect on equity is EUR 2.6 million including 25% tax rate.

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

Interest rate risk

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

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

Sensitivity analysis			**(Euro x 1,000)**
Movement interest rate risk		-0.25%	+0.25%
	Carrying amount	**Profit before tax**	**Profit before tax**
Borrowings	108.320	-271	+271

The effect on equity is EUR 0.2 million including 25% tax rate.

30. Fair value information

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

Method for fair value measurement of financial instruments
We use a three-level fair value hierarchy:

Level 1

The financial asset at fair value through profit or loss is measured by reference to quoted prices in an active market. At the end of 2023 the company had no assets in this category.

Level 2

As there are no external market prices on which to base the value of receivables, and borrowings, their fair value is determined from generally accepted valuation models. The value determined in this way is equal to the price at which the derivative can be sold in a transparent market. We set the values regularly in consultation with accepted external market parties.
For the valuation of forward currency contracts, the future cash flows in the contract currency are discounted at a rate based on the term and contract currency. The present value at the balance sheet date in the contract currency is translated at the closing exchange rate ruling on the same day.

Level 3

Financial instruments carried at fair value determined by reference to input that is not based on observable market data only apply to the pension liabilities in relation to the defined benefit plans in Germany.
The other receivables, borrowings and commitments are carried at amortised cost. The fair value of the long-term bank liabilities does not materially differ from the carrying amount as the margins were adjusted to market levels in 2015. The fair values of the other items do not differ materially from their carrying amount.

31. Auditor's remuneration

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Audit fee in Netherlands	255	278
Audit fee outside Netherlands	239	197
Assurance related services	9	80
Total auditor's remuneration	**503**	**555**

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

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Board of directors' remuneration	1039	849
Post-employment benefits	20	13
Other benefits	-	-

Termination benefits	-	-
Share-based payment benefits	-	-
Total Board of directors remuneration	**1.059**	**862**
Key management remuneration	1.571	1.574
Key management post-employment benefits	10	10
Key management other benefits	-	-
Total Key management remuneration	**1.581**	**1.584**
Total board and key personnel remuneration	**2.640**	**2.446**

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

33. Related parties

33.1 Related party indebtedness

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

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Receivable from:		
Reifencom GmbH	6.846	5.669
Apollo Tyres Global R&D	235	522
Apollo Tyres Thailand	21	-
Apollo Tyres Middle-East	270	54
Apollo Tyres Limited, India (ultimate parent)	1.303	866
Apollo Tyres South Africa	57	151
Vredestein Tyres North America Inc.	4.334	1.819
Total Receivables	**13.066**	**9.081**
Payable to:		
Saturn F1	30	46
Apollo Tyres Coop	937	327
Apollo Tyres Brasil	-	301
Apollo Tyres Global R&D	3.834	3.337
Apollo Tyres UK	875	1.787
Apollo Tyres Limited, India (ultimate parent)	9.735	19.262
Apollo Tyres Singapore	5.131	6.703
Apollo Tyres AG, Switzerland	132	148
Total Payables	**20.674**	**31.911**

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

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

33.2 Related party transactions – Income

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Apollo Tyres South Africa	131	115
Apollo Tyres Middle-East	1.832	544
Apollo Tyres Thailand	15	-
Apollo Tyres Limited, India (ultimate parent)	1.940	2.221
Vredestein Tyres North America Inc.	33.293	17.712
Reifencom GmbH	25.016	16.774
Total	**62.227**	**37.366**

33.3 Related party transactions – Expenses

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Apollo Tyres UK	6.232	7.309
Apollo Tyres Global R&D	26.619	25.744
Apollo Tyres Limited, India (ultimate parent)	70.995	72.109
Apollo Tyres AG, Switzerland	553	416
Apollo Tyres Singapore	48.529	33.223
Apollo Tyres Germany GmbH	-	4
Reifencom GmbH	-	16
Saturn F1	240	338
Total	**153.168**	**139.159**

34. Average number of employees

	Period ended 31 March 2023	Period ended 31 March 2022
Direct departments (production)	1.430	1.414
Non-direct departments	380	360
Total	**1.810**	**1.812**
Other countries	187	211
Total average number of employees	**1.997**	**2.023**

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

35. Capital commitment

35.1 Capital commitment

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Capital commitment	**8.051**	**11.100**

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

35.2 Other commitments not shown in the balance sheet

Furthermore the commitments not shown in the balance sheet comprise of other operating commitments, committed capital expenditure and other financial commitments. The capital commitments not shown in the balance sheet amounted to Eur 8.0 million at 31 March 2023.

(Euro x 1,000)	**Period ended 31 March 2023**	**Period ended 31 March 2022**
Due in year one	-	-
Due between years two and five	5.239	4.343
Due after five years	2.812	1.521
Total	**8.051**	**5.864**

36. Contingent liabilities

The company had no contingent liabilities as per end of March 2023 (March 2022:0). The company provided securities for the rent of buildings (EUR 2.4 million) in the form of bank guarantees (2022: EUR 2.4 million)

37. Post balance sheet events

With the objective of a clear focus on manufacturing operations the company has split the operations between two Netherlands based legal entities. As per this split, non-manufacturing activities like sales in local market, tyre sourcing from other companies and Head office activities will now be part of "Apollo Tyres (Europe) B.V." Enabling IT systems changes has been implemented with effective date of 1st April 2023. This split has no impact on the consolidated financial result of the company.

There are no other significant developments after the reporting date.

Company financial statements

Company statement of financial position

Before profit appropriation

(Euro x 1,000)	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Investment in subsidiaries	1	599.554	585.381
Other non-current assets		94	303
Total non-current assets		**599.648**	**585.684**
Current assets			
Receivables from group companies	2	5.883	4.195
Other current assets	3	857	2
Cash and bank balances		153	722
Total current assets		**6.893**	**4.919**
Total assets		**606.541**	**590.603**

(Euro x 1,000)	Notes	As at 31 March 2023	As at 31 March 2022
Equity and liabilities			
Issued capital and share premium		225.818	225.818
Legal reserve for translation of foreign operations		-93.307	-80.968
Legal reserves for capitalized development		36.688	40.681
Reserve for actuarial gains and losses		441	-1.722
Retained earnings		269.696	231.791
Profit for the period		46.936	33.912
Total equity	4	**486.273**	**449.513**
Borrowings	5	**66.319**	**101.461**
Provisions	6	**350**	**-**
Current liabilities			
Trade payables		1.243	438
Borrowings	5	36.001	29.007
IC Loan	7	15.000	9.000
Other current liabilities	8	1.355	1.183
Total current liabilities		**53.599**	**39.629**
Total equity and liabilities		**606.541**	**590.603**

Company statement of income

(Euro x 1,000)	Notes	Period ended 31 March 2023	Period ended 31 March 2022
Result from investment in subsidiaries	9	50.666	37.046
Other result after Tax		-3.730	-3.134
Result of the year		**46.936**	**33.912**

Notes to the separate annual accounts for 2022-23

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

The company financial statements of the company are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. We utilise the option afforded by Section 362(8) of Book 2 of the Dutch Civil Code to apply the accounting policies used for the consolidated financial statements to the holding company financial statements, with exception of the valuation for investments in subsidiaries, see Note 1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). The policies include those covering the presentation of financial instruments as equity or loan capital. The financial data of Apollo Tyres (Europe) B.V. are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.

1. 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 payments of its debts, a provision is formed. This provision is calculated taking into account any bad debt provisions already formed for receivables on such subsidiary. The equity and results of the subsidiaries have been determined in accordance with the accounting policies of Apollo Tyres (Europe) B.V.

(Euro x 1,000)	**Period ended 31 March 2023**	**Period ended 31 March 2022**
Net Position at beginning of Year	**585.381**	**586.727**
Adjustment for Opening Balance*		4.777
Investments:		
Dividends	-26.528	-36.921
Repayment of capital	-	-
Other Comprehensive Income	2.163	603
Foreign currency translation differences	-12.732	-7.014
Profit for the year	50.666	37.046
Other movements	604	163
Net position at the end of the year	**599.554**	**585.381**

*The balance as per 31 March 2021 has been corrected for the accounting treatment of top side adjustments in the company only equity in previous years, resulting in an increase of € 4,7 million in equity with a limited effect on the Company's income statement. The value of Investments is accordingly also adjusted with € 4.7 Mn

2. Receivables from Group companies

(Euro x 1,000)	**As at 31 March 2023**	**As at 31 March 2022**
Receivable from Apollo Tyres (NL) B.V.	5.883	4.193

The company has Group Receivables from its Subsidiary Apollo Tyres (NL) BV. The receivables comprise of Operational expense recharge and fiscal unity tax allocations.

3. Other current assets

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	857	-
Others		2
Total	**857**	**2**

4. Equity

Ordinary shares

Issued

Ordinary shares: 18.000 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	Legal reserve - Translation of foreign operations	Legal Reserve - Capitalised development	Actuarial gains or losses on pension plans	Retained earnings	Result for the period	Total Equity
Total as at 31 March 2021)	**18**	**225.800**	**-64.873**	**39.075**	**-2.325**	**302.108**	**-42.735.081**	**457.069**
Adjustment for Opening Balances*	-	-	-9.850	5.821	-	18.152	-9.346	4.777
Result for the period	-	-	-	-	-	-	33.912	33.912
Other comprehensive income, net of income tax	-	-	-6.245	603-	-603	-	-	-6.245
Dividend	-	-	-	-	-	-40.000	-	-40.000
Appropriation of result	-	-	-	-	-	-52.081	52.081	-
Transfers to and from reserves	-	-	-	-4.215	-	4.215	-	-
Total as at 31 March 2022	**18**	**225.800**	**-80.968**	**40.681**	**-1.722**	**231.791**	**33.912**	**449.513**
Result for the period	-	-	-	-	-	-	46.936	46.936
Other comprehensive income, net of income tax	-	-	-12.339	-	2.163	-	-	-10.176
Dividend	-	-	-	-	-	-	-	-
Appropriation of result	-	-	-	-	-	33.912	-33.912	-
Transfers to and from reserves	-	-	-	-3.993	-	3.993	-	-
Total as at 31 March 2023	**18**	**225.800**	**-93.307**	**36.688**	**441**	**269.696**	**46.936**	**486.273**

* The balance as per 31 March 2021 has been corrected for the accounting treatment of top side adjustments in the company only equity in previous years, resulting in an increase of € 4,7 million in equity with a limited effect on the Company's income statement.

The legal reserves are non-distributable.

Proposal for Profit appropriation

The board of directors had proposed to add the profit for the year ended 31 March 2023 to the other reserves of the company.

5. Borrowings

(Euro x 1,000)	As at 31 March 2023	As at 31 March 2022
Long term Borrowing	66.319	101.461
Short Term part of Long Term Borrowing	36.001	29.007
Total	**102.320**	**130.468**

Movement in Borrowings

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	130.468	143.725
Repayment in the year	-29.750	-14.000
Amortization of capitalised borrowing costs	1.602	743
Closing balance	**102.320**	**130.468**

During FY20 the Company has signed a financing agreement for the long term loan (EUR 175 Million) with the Consortium of Banks led by Standard Chartered Bank, the proceeds for which were utilized for repayment of the previous facility Company's subsidiary, Apollo Vredestein B.V has provided guarantee for the loan which is secured by a pledge on the movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of its Real Estate being the Land and Buildings located in the Netherlands. Company's other subsidiary, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledged of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

The interest rate is based on EURIBOR plus a margin.

6. Provisions

Jubilee Benefits

Movement in the Jubilee provision

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	-	-
Increase during the current year (remeasurements)	350	-
Utilisation during the year	-	-
Closing balance	**350**	**-**

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

For the provision as at March 31, 2023, following was considered: Salary Increase: 3%, Discount Rate 1.5%, Retirement Age: 67 years and Retention rate: 6.4%

7. IC Loan

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
IC Loan from ATHU	8.000	8.000
IC Loan from ATNL	1.000	1.000
IC Loan from AT Coop	6.000	-
Total	**15.000**	**9.000**

Movement in IC Loan

(Eur x 1,000)	As at 31 March 2023	As at 31 March 2022
Opening balance	9.000	-
New IC Loan from ATHU	-	8.000
New IC Loan from ATNL	-	1.000
New IC Loan from AT Coop	6.000	-
Closing balance	**15.000**	**9.000**

8. Other Current Liabilities

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Social Premium Incl. Wage Tax	729	850
Accrued Interest	287	256
Expenses Payable	339	76
Total	**1.355**	**1.182**

9. Profit from Investment in Subsidiaries

(Euro x 1,000)	Period ended 31 March 2023	Period ended 31 March 2022
Apollo Tyres (NL) B.V.	36.479	24.719
Apollo Tyres Hungary Kft.	15.054	12.218
Total	**51.533**	**36.937**

Board of directors and all key personnel's' remuneration

There was no remuneration paid to the Directors of the company in their capacity as

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

Post balance sheet events

The company has no subsequent events.

Signing the financial statements

Amsterdam, The Netherlands,

The Board of directors:

Benoit Rivallant	**Pallavi Shroff**
Vishal Kumar Mittal	**Rakesh Dewan**

Other information

Other information

Provisions of the articles of association concerning profit appropriation

Article 32: profit and distribution of profits

1. The profits shall be at the disposal of the shareholders meeting, subject to the following provisions:
   a. the company may only make distributions of profits to shareholders to the extent that the shareholders' equity exceeds the paid and called up part of its capital plus the reserves, which are required to be maintained by law;
   b. distribution of profits may only be made after adoption of the annual accounts showing that the distribution is permissible.
2. The company may make interim distributions provided that the requirements of paragraph I sub a have been met.
3. The shares that the company holds in its own capital shall not be included for the purpose of calculating the profit distribution, unless a right of usufruct has been established on those shares in favour of persons other than the company or if depositary receipts were issued for those shares.
4. As of one month after the declaration, the dividend shall be at the disposal of the shareholders, unless the shareholders meeting determines another term.
   After five years have passed, the claims shall expire.
   Dividends that are not disposed of within five years after their becoming available for payment shall revert to the company.
5. A loss may only be offset against the reserves which are prescribed by law to the extent that it is permitted by law.

Independent auditors report

The independent auditors report is stated on the following pages.

Independent auditor's report

Publication of auditor's report

1 Conditions

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

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

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

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

2.2 Annual General Meeting (AGM)

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

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.
The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

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

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

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

2.5 Trade Registrar

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

2.6 Other manner of publication

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

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

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

2.7 Inclusion in another document

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

2.8 Events after the AGM

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