Apollo Tyres (Greenfield) B.V.

Financial Statements

March 31, 2023

Apollo Tyres (Greenfield) B.V.
Balance sheet as at 31 March 2023

(All amounts are in € unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Financial assets			
i) Investments	3	7,184.00	7,184.00
Total non current assets		**7,184.00**	**7,184.00**
Current assets			
Financial assets			
i) Cash and cash equivalents	4	12,642.63	20,013.38
ii) Loans	5	272,669.79	264,250.95
Other current assets	6	-	6,485.89
Total current assets		**285,312.42**	**290,750.22**
Total assets		**292,496.42**	**297,934.22**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	36,000.72	36,000.72
Other equity			
i) Reserves and surplus		255,295.70	254,733.61
Total equity		**291,296.42**	**290,735.33**
LIABILITIES			
Current liabilities			
Financial liabilities			
i) Other financial liabilities	8	1,200.00	7,198.89
Total current liabilities		**1,200.00**	**7,198.89**
Total equity and liabilities		**292,496.42**	**297,934.22**

Summary of significant accounting policies and other explanatory information. 1-11

Apollo Tyres (Greenfield) B.V.
Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in € unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2023
Other income	9	8,494.48	5,703.13
Total income		**8,494.48**	**5,703.13**
Expenses			
Other expenses	10	7,932.39	1,410.62
Total expenses		**7,932.39**	**1,410.62**
Profit before tax		**562.09**	**4,291.51**
Income tax expense			
Current tax		-	-
Profit for the year		**562.09**	**4,291.51**
Earnings per equity share	11		
a) Basic		0.01	0.09
b) Diluted		0.01	0.09
Summary of significant accounting policies and other explanatory information.	1-11		

Apollo Tyres (Greenfield) B.V.

Cash Flow Statement for the year ended 31 March 2023

(All amounts are in € unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022 31-Mar-22
Cash flows from operating activities		
Profit before tax as per statement of profit and loss	562.09	4,291.51
Adjustments for:		
Interest income	(8,494.48)	(5,703.13)
Operating loss before working capital changes	**(7,932.39)**	**(1,411.62)**
Other current assets	6,485.89	-
Other financial liabilities	(5,999.89)	1,199.00
Net cash used in operating activities (A)	**(7,446.39)**	**(212.62)**
Cash flows from investing activities		
Interest received	75.64	-
Net cash flow from investing activities (B)	**75.64**	**-**
Net decrease in cash and cash equivalents (A+B)	**(7,370.75)**	**(212.62)**
Opening cash and cash equivalents	20,013.38	20,226.00
Closing cash and cash equivalents (Refer note 4)	**12,642.63**	**20,013.38**

Summary of significant accounting policies and other explanatory information. 1-11

Apollo Tyres (Greenfield) B.V.
Statement of Changes in equity for the year ended 31 March 2023

A. Equity share capital *(All amounts are in € unless otherwise stated)*

Particulars	Total
Balance as at 1 April 2021	36,000.72
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**36,000.72**
Changes in equity share capital during the year	-
Balance as at 31 March 2023	**36,000.72**

B. Other equity

Particulars	Retained earnings	Total
Balance as at 1 April 2021	250,442.10	**250,442.10**
Loss for the year	4,291.51	**4,291.51**
Balance as at 31 March 2022	**254,733.61**	**254,733.61**
Profit for the year	562.09	**562.09**
Balance as at 31 March 2023	**255,295.70**	**255,295.70**

Summary of significant accounting policies and other explanatory information. 1-11

1. Company Overview

Apollo Tyres (Greenfield) B.V. ("the Company"), a private limited liability company based in Netherlands is registered at the Chamber of Commerce. The Company is a subsidiary Company of Apollo Tyres Limited (holding Company), an Indian listed company with registered address at 3rd floor, Areekal mansion, Panampilly Nagar, 68203, Kochi, India which prepares its consolidated financial statements under IND AS.

2. Summary of significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

(c) Interest income

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

(d) Borrowing costs

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

(e) Taxation

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

(f) Foreign currency transactions

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

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

(g) Financial instruments

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

Financial assets

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

Classification of financial asset

Loans and receivable

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial liabilities

Financial liabilities subsequently measured at amortised cost

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

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

(h) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit /(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(i) Impairment of financial assets

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

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

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

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

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

(j) Cash and cash equivalents

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

(All amounts are in € unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
	FINANCIAL ASSETS (NON-CURRENT)		
Note 3:	**Investments**		
	Investment in membership interest of:		
	Apollo Tyres Cooperatief U.A	7,184.00	7,184.00
	(membership interest having face value of € 1,000)		
	Aggregate cost of investment	**7,184.00**	**7,184.00**
	Aggregate amount of unquoted investment	**7,184.00**	**7,184.00**
	FINANCIAL ASSETS (CURRENT)		
Note 4:	**Cash and cash equivalents**		
	Balance with banks in current account	12,642.63	20,013.38
		12,642.63	**20,013.38**
Note 5:	**Loans**		
	Unsecured, considered good		
	Loans to related party (including interest accrued) *	272,669.79	264,250.95
		272,669.79	**264,250.95**

* The Company executed loan agreement dated 7 June 2017 with its related party, namely, Apollo Tyres Cooperatief U.A. to grant loan upto $ 10,000,000. The Company disbursed $ 6,650,000 under the aforesaid agreement. This loan is unsecured and is repayable (on demand) within 1 year from the date of disbursement which has been further extended. The loan carries interest rate of Euribor plus a margin of 225 basis points. The loan outstanding as at 31 March 2023 amounts to € 250,000 (previous year: € 250,000). The interest accrued as at 31 March 2023 amounts to € 22,669.79 (previous year: € 14,250.95).

		As at 31 March 2023	As at 31 March 2022
	NON-FINANCIAL ASSETS (CURRENT)		
Note 6:	**Other current assets**		
	VAT receivable	-	6,485.89
		-	**6,485.89**
Note 7:	**Equity share capital**		
	Issued, paid up and subscribed equity share capital		
	Equity share capital	36,000.72	36,000.72
	(50,001 equity shares of € 0.72 each fully paid-up)		
		36,000.72	**36,000.72**
	The share capital of the Company consists of fully paid equity shares with a par value of € 0.72 each.		
	FINANCIAL LIABILITIES (CURRENT)		
Note 8:	**Other financial liabilities**		
	Expenses payable	1,200.00	7,198.89
		1,200.00	**7,198.89**

Apollo Tyres (Greenfield) B.V.
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

(All amounts are in € unless otherwise stated)

		For the year ended 31 March 2023	For the year ended 31 March 2022
Note 9:	**Other income**		
	Interest income on loan to related party	8,418.84	5,703.13
	Interest income on bank deposits	75.64	-
		8,494.48	**5,703.13**
Note 10:	**Other expenses**		
	Legal and professional	7,847.94	1,285.39
	Bank charges	84.45	126.23
		7,932.39	**1,410.62**
Note 11:	**Earnings per share**		
	Basic and diluted earnings per share		
	Profit attributable to the equity shareholders used as numerator (€) - (A)	562.09	4,291.51
	Weighted average number of shares outstanding during the year used as denominator - (B)	50,001.00	50,001.00
	Basic / diluted earnings per share (€) – (A) / (B) (Face value of € 0.72 each)	0.01	0.09