

Apollo Tyres Centre of Excellence Ltd
7, Sector 16, Gurugram
Sector 16
Gurugram (22001) India



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

**AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2023**

**ACCOUNTS
GURUGRAM**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
APOLLO TYRES CENTRE OF EXCELLENCE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **APOLLO TYRES CENTRE OF EXCELLENCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income) for the year ended March 31, 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are



appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the



representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has neither proposed, declared and paid any dividend during the year. Accordingly reporting under Rule 11(f) is not applicable to the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to information and explanations given to us, no managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.

Place: New Delhi

Date: April 28, 2023

UDIN: 23084318B6YVNL1537



For SCV & Co. LLP
Chartered Accountants
Firm Regn No. 000235N/N500089.

(Rajiv Puri)
Partner

Membership No. 084318

Annexure "A" to the Independent Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date.

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (a) (B) The Company does not carry any Intangible Assets, therefore Paragraph 3 (i) (a) (B) of the Order is not applicable to the Company.
- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the verification of Property, Plant and Equipment has been conducted by the management during the year. All the Property, Plant and Equipment have not been physically verified by the management during the year, however, there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No discrepancies were noticed on such verification.
- (c) There is no immovable property (Other than property where the Company is a lessee and lease agreement is duly registered executed in favour of lessee) held by the Company. Accordingly, the para 3 (i) (c) of the Order is not applicable to the Company.
- (d) The Company has not revalued during the year, its Property, Plant and Equipment (including right-of-use assets). Since the Company does not carry any Intangible Assets, the revaluation thereof is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory, therefore paragraph 3(ii) (a) of the order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans or advances in nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, since no loans have been granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.



(c) According to the information and explanations given to us and on the basis of our examination of the books of account, no loan have been granted by the Company and therefore no loan has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(d) According to the information and explanations given to us and on the basis of our examination of the books of account, The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, given guarantees or security which is covered under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, the paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding, as on March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of our examination of the books of account, there are no dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, and on the basis of our examination of the books of account, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirement of report on paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) Based on our audit procedures and on the information and explanations given to us, the Company has not taken any loans or other borrowings from any lenders or has not issued any debentures. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.



(b) Based on our audit procedures and on the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Based on our audit procedures and on the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and on the information and explanations given to us, the Company, has not raised funds on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company and hence reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) Based on our audit procedures and on the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint ventures. and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiaries, associates and joint ventures and nor has raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or optionally convertible) but have made allotment of equity shares to its existing shareholders by way of rights issue.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us and as represented by the management, no whistle blower complaints received by the Company during the year (and upto the date of this report),

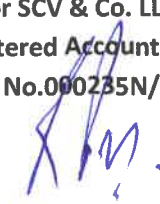
(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, Company is does not have an internal audit system and is not required to have internal audit system under the provisions of section 138 of the Companies Act, 2013. Accordingly, paragraph 3(xiv) (a) and (b) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit as well as in the previous year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 9, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company is not required to spend towards Corporate Social Responsibility (CSR) in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

For SCV & Co. LLP
Chartered Accountants
Firm Regn No. 000235N/N500089.



(Rajiv Puri)
Partner

Membership No. 084318

Place: New Delhi

Date: April 28, 2023

UDIN: 23084318BG1VNL1537



Annexure “B” To the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of the independent Auditor’s Report of even date to the members of **APOLLO TYRES CENTRE OF EXCELLENCE LIMITED** on the Ind AS Financial Statements for the year ended March 31, 2023)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **APOLLO TYRES CENTRE OF EXCELLENCE LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended March 31, 2023.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to these Ind AS financial statements.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

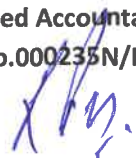
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SCV & Co. LLP
Chartered Accountants
Firm Regn No.000235N/N500089.



(Rajiv Puri)
Partner

Membership No. 084318



Place: New Delhi

Date: April 28, 2023

UDIN: 23084318BGYYVNL1537

APOLLO TYRES CENTRE OF EXCELLENCE LTD.
BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Notes	Rs. Lakhs	
		As at March 31, 2023	As at March 31, 2022
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	B1	644.19	-
(b) Right of use assets		778.67	879.14
(b) Capital work-in-progress		9.50	-
(c) Financial assets			
i. Other Financial Assets	B2	20.21	17.97
(d) Non-current tax assets (net)	B3	18.33	7.13
(e) Deferred tax assets (net)	C1	33.99	6.31
(f) Other non-current assets	B4	-	135.96
Total non-current assets		1,504.89	1,046.51
2. Current assets			
(a) Financial assets			
i. Trade receivables	B5	469.75	109.50
ii. Cash and cash equivalents	B6	338.63	272.88
iii. Other financial assets	B7	19.99	0.44
Total current assets		828.37	382.82
Total assets (1+2)		2,333.26	1,429.33
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	B8	539.00	500.00
(b) Other equity		668.77	(11.50)
Total equity		1,207.77	488.50
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Lease liabilities		702.26	830.94
ii. Other financial liabilities	B9	4.95	-
(b) Provisions	B10	54.91	-
Total non-current liabilities		762.12	830.94
3. Current liabilities			
(a) Financial liabilities			
i. Lease liabilities		128.96	59.51
ii. Trade payables			
- total outstanding dues of micro enterprises and small enterprises: and		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	B11	103.72	22.71
iii. Other financial liabilities	B12	57.69	8.11
(b) Other current liabilities	B13	61.43	19.56
(c) Provisions	B14	11.57	-
Total current liabilities		363.37	109.89
Total liabilities (2+3)		1,125.49	940.83
Total equity and liabilities (1+2+3)		2,333.26	1,429.33

See accompanying notes forming part of the financial statements

As per our attached Report of even date
For SCV & Co. LLP
Chartered Accountants
Firm/Regn No. 000235N/N500089

For and on behalf of the Board of Directors



Rajiv Puri
Partner
Membership no : 084318

Anil Chopra
Director
DIN No.03289855

Ravi Shingari
Director
DIN No.08912955

Place : New Delhi
Date : April 28, 2023

Place : Gurugram
Date : April 28, 2023



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Notes	Rs. Lakhs	
		Year ended March 31, 2023	Year ended March 31, 2022
1. Revenue from operations	B15	1,199.38	100.74
2. Other income	B16	14.91	4.68
3. Total income (1 + 2)		<u>1,214.29</u>	<u>105.42</u>
4. Expenses			
(a) Employee benefits expense	B17	658.10	31.34
(b) Finance costs	B18	60.07	15.46
(c) Depreciation and amortization expense	B1(a)	143.88	25.12
(d) Other expenses	B19	248.20	46.71
Total expenses		<u>1,110.25</u>	<u>118.63</u>
5. Profit/(Loss) before exceptional items and tax (3 - 4)		<u>104.04</u>	<u>(13.21)</u>
6. Exceptional items		-	-
7. Profit/(Loss) before tax (5 + 6)		<u>104.04</u>	<u>(13.21)</u>
8. Tax expense			
- Current tax		50.54	3.71
- Deferred tax		(24.35)	(6.09)
Total tax expense	C1	<u>26.19</u>	<u>(2.38)</u>
9. Profit/(Loss) for the year (7 - 8)		<u>77.85</u>	<u>(10.83)</u>
10. Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
(a) Gain / (Loss) on remeasurement of defined benefit plan		(13.20)	-
(b) Gain / (Loss) on changes in fair value of investment in equity instruments carried at fair value through OCI		-	-
(c) Deferred tax adjustment on revaluation		-	-
(ii) Income tax relating to items (a & b) that will not be reclassified to profit or loss		3.32	-
Other comprehensive income for the year		<u>(9.88)</u>	<u>-</u>
11. Total comprehensive income for the year (9 + 10)		<u>67.97</u>	<u>(10.83)</u>
12. Earnings per equity share (face value of Rs. 10/- each)			
- Basic	C13	1.48	(0.62)
- Diluted		1.48	(0.62)

See accompanying notes forming part of the financial statements

As per our attached Report of even date

For SCV & Co. LLP

Chartered Accountants

Firm Regn No. 000235N/N500089

Rajiv Puri
Partner
Membership no : 084318



For and on behalf of the Board of Directors

Anil Chopra
Director
DIN No.03289855

Ravi Shrivastava
Director
DIN No.08912955

Place : New Delhi
Date : April 28, 2023

Place : Gurugram
Date : April 28, 2023



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

i) Equity Share Capital

Particulars	Rs. Lakhs
Balance as at March 31, 2021	10.00
Changes in equity share capital during the year	490.00
Balance as at March 31, 2022	500.00
Changes in equity share capital during the year	39.00
Balance as at March 31, 2023	539.00

ii) Other Equity


Particulars	Rs. Lakhs		Total
	Reserves and surplus		
	Securities premium	Retained earnings	
Balance as at March 31, 2021	0	(0.67)	(0.67)
Profit/(Loss) for the period	0	(10.83)	(10.83)
Other comprehensive income (OCI) for the year	0	-	-
Balance as at March 31, 2022	-	(11.50)	(11.50)
Profit/(Loss) for the year		77.85	77.85
Remeasurement of defined benefit plans		(13.20)	(13.20)
Income tax on remeasurement of defined benefit plans		3.32	3.32
Share premium on issue of shares	612.3		612.30
Balance as at March 31, 2023	612.30	56.47	668.77

As per our attached Report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn No. 000235N/N500089

For and on behalf of the Board of Directors



Rajiv Puri
Partner
Membership no : 084318



Anil Chopra
Director
DIN No.03289955

Ravi Shingari
Director
DIN No.08912955



Place : New Delhi
Date : April 28, 2023

Place : Gurugram
Date : April 28, 2023



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	Year ended March 31, 2023	Year ended MARCH 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Net profit before tax & exceptional items	104.04	(13.21)
Adjustments for:		
Depreciation and amortization expense	143.88	25.12
Rent Income	(5.00)	-
Interest income	(9.59)	(3.78)
Finance charges	60.07	15.46
	189.36	-
(ii) Operating profit before working capital changes	293.40	23.59
Adjustments for changes in working capital:		
Loans and other financial assets	(8.27)	(25.39)
Other non-current assets	-	(6.08)
Trade Receivables	(360.25)	(109.50)
Other financial liabilities	32.13	8.11
Trade payable	81.01	21.87
Other current liabilities	41.87	19.50
Provisions	66.48	-
	(147.03)	(91.49)
(iii) Cash generated from operations	146.37	(67.90)
Direct taxes paid (net of refund)	(61.75)	(10.85)
Net cash from operating activities	84.62	(78.75)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant & equipments, including Capital Advances	(561.14)	(135.96)
Rent Income	5.00	-
Interest received	6.72	3.34
Net cash used in investing activities	(549.42)	(132.62)
C CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(120.75)	(15.75)
Proceeds from issue of share capital	651.30	490.00
Net cash used in financing activities	530.55	474.25
Net (decrease) / increase in cash & cash equivalents (A+B+C)	65.75	262.88
Cash & cash equivalents as at the beginning of the period	272.88	10.00
Cash & cash equivalents as at the end of the period	338.63	272.88
Balances with banks		
On current accounts	28.63	23.88
Deposits with original maturity of less than three months	310.00	249.00
	338.63	272.88

As per our attached Report of even date
For SCV & Co. LLP
Chartered Accountants
Firm Regn No. 000235N/N500089

Rajiv Puri
Partner
Membership no : 084318



Anil Chopra
Director
DIN No.03289855

Ravi Shingari
Director
DIN No.08912955

Place : New Delhi
Date : April 28, 2023

Place : Gurugram
Date : April 28, 2023



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate information

The principal business activity of Apollo Tyres Centre of Excellence Limited ('the Company') is to carry on the business of providing, outsourcing, sub-contracting shared service(s) for process execution and various other business functions, in and outside India. The Company was incorporated on 10th October 2020.

2 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements-**
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors-**
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.
- **Ind AS 12 – Income Taxes-**
This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

3 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

3.1 Statement of Compliance

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

The financial statements for the year ended March 31, 2023 were authorised and approved for issue by the Board of Directors on 28th April 2022.

3.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3.3 Taxation

Income tax expense recognised in Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current Tax

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Current and Deferred tax for the period

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.4 Other income

Dividend income from investments to be recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Royalty income to be recognised on accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.5 Employee benefits

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other current and non-current employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.6 Government grants, subsidies and export incentives

Government grants and subsidies to be recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss as and when the related obligations are met.

Revenue grant is recognised as an income in the period in which related obligation is met.

Export incentives earned in the year of exports are netted off from cost of raw material imported.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3.7 Foreign currency transactions and translations

Foreign currency transactions to be recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the period-end. Non-monetary items to be carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in which they arise except for:

- a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- b. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- c. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the Statement of Profit and Loss on repayment of the monetary items.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

3.9 Leases

The Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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 Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.12 Provisions and contingencies

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the 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 and 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 and loss are recognised immediately in the Statement of Profit and Loss.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

3.17.1 Classification of financial asset

a. 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 FVTPL on initial recognition):

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. 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 the Statement of Profit and Loss and is included in the 'Other Income' line item.

b. Assets available for sale

Financial assets that meet the following conditions to be subsequently measured at fair value through other comprehensive income ('FVTOCI') (except for investments that are designated as at FVTPL on initial recognition):

- i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii. 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.

All other financial assets are subsequently measured at fair value.

c. Assets held for trading

A financial asset to be held for trading if:

- i. it has been acquired principally for the purpose of selling it in the near term; or
- ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- iii. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established and it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d. Financial assets at fair value through profit and loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.17.2 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees 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.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Credit impaired balances are disclosed under provision for doubtful debts.

3.17.3 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17.4 Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in hedging.

3.15 Financial liabilities and equity instruments

3.18.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.18.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.18.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

3.18.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- i. it has been incurred principally for the purpose of repurchasing it in the near term; or
- ii. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- iii. it is a derivative that is not designated and effective as a hedging instrument.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

A NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- i. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- ii. the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- iii. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 - Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

3.18.3.2 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.

3.18.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

- i. amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- ii. amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115, Revenue from Contracts with Customers.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'Other Income' line item.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

3.18.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.16 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management. The cash flow statement is prepared using indirect method.

3.17 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

3.18 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may 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. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

B1 Property, Plant and Equipment as at March 31, 2023

Description of assets	Gross Block		As at March 31, 2023	Accumulated Depreciation		Net Block			
	As at March 31, 2022	Additions		Disposals	As at March 31, 2022	Depreciation expense	Eliminated on disposal of assets	As at March 31, 2023	As at March 31, 2022
Leasehold Improvement	-	373.90	-	373.90	-	-	20.15	353.75	-
Plant and Machinery	-	40.48	-	40.48	-	-	2.02	38.45	-
Office Equipments	-	21.99	-	21.99	-	-	6.23	15.76	-
Electrical installations	-	162.94	-	162.94	-	-	10.39	152.55	-
Computers	-	1.70	-	1.70	-	-	0.28	1.41	-
Furniture and fixtures	-	86.60	-	86.60	-	-	4.33	82.27	-
Total	-	687.60	-	687.60	-	-	43.41	644.19	-
Previous Year	-	-	-	-	-	-	-	-	-
Right of use asset - Buildings	904.26	-	-	904.26	25.12	-	100.47	778.67	879.14
Previous Year	-	904.26	-	904.26	-	-	25.12	879.14	-

B1(a) Depreciation and Amortization Expense

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of Property, Plant and Equipment	43.41	-
Depreciation/Amortization of Right of Use Assets	100.47	25.12
Total	143.88	25.12



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

B2 Other Financial Assets

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	20.21	17.97
	<u>20.21</u>	<u>17.97</u>



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT

Non-Financial Assets (Non-Current)

B3 Non-Current Tax Assets (Net)

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Income tax (Net of provision for tax of Rs. 54.24 Lakhs (Previous Year Rs. 3.71 Lakhs)	18.33	7.13
	18.33	7.13

B4 Other Non-Current Assets

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at MARCH 31, 2022
Unsecured, considered good		
Capital advances	-	135.96
	-	135.96

Financial Assets (Current)

B5 Trade receivables

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	469.75	109.50
For Trade receivable ageing shedule, refer Note: C-5	469.75	109.50

Financial Assets (Current)

B6 Cash and Cash Equivalents

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts	28.63	23.88
Deposits with original maturity period of 3 months or less	310.00	249.00
	338.63	272.88

B7 Other Financial Assets (Current)

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest accrued on deposits	3.31	0.44
Employees advances	6.03	-
Receivables from related parties (Refer Note C-8)	10.65	-
	19.99	0.44



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT

B8 Equity Share Capital

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Authorised		
1,00,00,000 Nos. (1,00,00,000 Nos.) equity shares of Rs. 10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed & fully paid up		
53,90,000 Nos. (50,00,000 Nos.) equity shares of Rs 10 each	539.00	500.00
	539.00	500.00

a. Reconciliation of the equity shares at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Shares outstanding at the beginning of the year	50,00,000	500.00	1,00,000	10.00
Shares issued during the year	3,90,000	39.00	49,00,000	490.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	53,90,000	539.00	50,00,000	500.00

b. Terms / rights attached to equity shares:

The Company has only one class of issued shares referred to as equity shares having a par value of Re. 10 each. The holder of equity shares are entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by the Holding / Ultimate Holding Company and / or their subsidiaries & associates:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Apollo Tyres Limited (Holding Company)*	53,90,000	539.00	50,00,000	500.00

*100% held by Apollo Tyres Limited (ATL), inter alia, including 6 shares each held by 6 individual nominee shareholders of ATL

d. Details of shareholders holding more than 5% of the paid up share capital of the Company:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%age	No. of Shares	%age
Apollo Tyres Limited (Holding Company)	53,90,000	100.00%	50,00,000	100.00%

e. Shares held by promoters at the end of the year:

As at March 31st, 2023				
Sl No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Apollo Tyres Limited	53,90,000	100.00%	0%

As at March 31st, 2022				
Sl No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Apollo Tyres Limited	50,00,000	100.00%	N.A.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT

B9 Other Financial Liabilities

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Security deposits received	4.95	-
	4.95	-

Non-Financial Liabilities (Non-Current)

B10 Provisions

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits Refer Note: C-12b		
Provision for gratuity (unfunded)	42.24	-
Provision for compensated absences	12.67	-
	54.91	-

Financial Liabilities (Current)

B11 Trade Payables

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note C4)	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	103.72	4.90
Payable to related parties	-	17.81
	103.72	22.71

For Trade payable ageing shedule, refer Note: C-6



B12 Other Financial Liabilities

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Employee related payables	3.25	7.33
Accounts payable - capital vendors	27.52	-
Others	26.92	0.78
	<u>57.69</u>	<u>8.11</u>

Non-Financial Liabilities (Current)**B13 Other Current Liabilities**

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Amount payable to statutory authorities	61.43	19.56
	<u>61.43</u>	<u>19.56</u>

B14 Provisions

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits Refer Note: C-12b		
Provision for gratuity (unfunded)	8.58	-
Provision for compensated absences	2.99	-
	<u>11.57</u>	<u>-</u>



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

B15 Revenue from Operations

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services (Revenue from Business Support Services)	1,199.38	100.74
	<u>1,199.38</u>	<u>100.74</u>

B16 Other Income

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on bank deposits	9.59	3.78
Interest income - Others	0.32	
Income from sub-leasing	5.00	0.90
	<u>14.91</u>	<u>4.68</u>



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

B17 Employee Benefit Expenses

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	627.46	30.00
Contribution to provident and other funds	26.59	1.34
Staff welfare expenses	4.05	-
	658.10	31.34

B18 Finance Costs

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Finance charge on amortisation of lease liability	60.07	15.46
	60.07	15.46

B19 Other Expenses

Particulars	Rs. Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	0.03	3.75
Travelling, conveyance and vehicle	7.91	1.19
Printing, stationery & communication	14.08	0.11
Legal & professional charges	25.52	14.93
Statutory auditors remuneration		
- As Audit Fee	2.30	0.90
- Tax Audit	0.60	-
Retainer Fee	59.13	22.40
Outsourced Services	64.64	-
Electricity & Water	30.41	-
Computer Related Expenses	11.91	
Miscellaneous	30.36	3.43
	248.20	46.71



APOLLO TYRES CENTRE OF EXCELLENCE LTD.
C NOTES FORMING PART OF THE FINANCIAL STATEMENT

1 Income taxes

i) Reconciliation between average effective tax rate and applicable tax rate

Particulars	2022-23		2021-22	
	Rs. Lakhs	Rate (%)	Rs. Lakhs	Rate (%)
Profit before tax	104.04		(13.21)	
Income tax using the Company's domestic tax rate	26.18	25.17%	(3.32)	25.17%
Tax effect of				
Non deductible expenses	-	0.00%	0.94	-7.14%
Income tax expense recognised in the statement of profit and loss	26.18	25.17%	(2.38)	18.02%

ii) Components of deferred tax liabilities (net)

Year ended March 31,2023				Rs. Lakhs
Particulars	As at March 31, 2022	Recognised in statement of profit and loss	Recognized in/reclassified from OCI	As at March 31, 2023
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment		(0.93)	-	(0.93)
Others	221.26	15.27	-	236.53
Gross deferred tax liability (a)	221.26	14.34	-	235.60
Tax effect of items constituting deferred tax assets				
Carry forward losses	(0.00)	-	-	(0.00)
Employee benefits	0.06	13.41	3.32	16.79
Others	227.51	25.29	-	252.80
Gross deferred tax assets (b)	227.57	38.70	3.32	269.59
Net deferred tax liability/(Asset) (a-b)	(6.31)	(24.35)	(3.32)	(33.99)

Year ended March 31,2022				Rs. Lakhs
Particulars	As at March 31, 2021	Recognised in statement of profit and loss	Recognized in/reclassified from OCI	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment			-	-
Others		221.26	-	221.26
Fair value of equity instruments		-	-	-
Gross deferred tax liability (a)	-	221.26	-	221.26
Tax effect of items constituting deferred tax assets				
Fair value of Equity instruments				-
Carry forward losses	0.23	(0.23)		(0.00)
Employee benefits		0.06		0.06
Others		227.51		227.51
Gross deferred tax assets (b)	0.23	227.34	-	227.57
Net deferred tax liability/(Asset) (a-b)	(0.23)	(6.09)	-	(6.31)



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2 Financial Instrument

A. Capital risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

Particulars	Rs Lakhs	
	As on March 31, 2023	As on March 31, 2022
Borrowings	-	-
Current maturities of non current borrowings	-	-
Debt (a)	-	-
Equity	539.00	500.00
Other equity	56.47	(11.50)
Total equity (b)	595.47	488.50
Debt to equity ((a) / (b))	-	-

B. Financial risk management

a) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy customers

b) Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

i) Non derivative financial assets

Particulars	As on March 31, 2023			As on March 31, 2022		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	808.38	-	20.21	382.38	-	17.97
Fixed interest rate instruments	19.99	-	-	0.44	-	-

ii) Non derivative financial liabilities

Particulars	As on March 31, 2023			As on March 31, 2022		
	Less than 1 year	1 to 5 years	5 years and above	Less than 1 year	1 to 5 years	5 years and above
Non-interest bearing	161.41	-	-	30.82	-	-
Lease liability	69.45	381.76	380.01	59.51	340.39	490.55

c) The below tables summarise the fair value of the financial assets / liabilities

i. Fair value of financial assets and financial liabilities carried at amortized cost

Particulars	As on March 31, 2023 (Rs Lakhs)	As on March 31, 2022 (Rs Lakhs)	Fair value hierarchy (Level 1, 2 or 3) *
Financial assets			
CASH AND CASH EQUIVALENTS	338.63	272.88	3
Total	338.63	272.88	
Financial Liabilities			
Trade Payables	103.72	22.71	3
Other Financial Liabilities-Current	186.65	67.62	
Total	290.37	90.33	

* Level 1 - Quoted price in an active market.

* Level 2 - Inputs other than quoted prices included within liability Level 1 that are observable or the asset or liability, either directly or indirectly.

* Level 3 - Unobservable inputs for asset or liability.

3 Statutory auditors' remuneration

Particulars	Rs Lakhs	
	2022-23	2021-22
For audits	2.30	-
For taxation matters	0.60	-
For other services	-	-
Total	2.90	-

4 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As on March 31, 2023	As on March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date	-	-

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5 Trade Receivables ageing schedule

Particulars	Rs Lakhs						
	As on March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME							-
Others		469.75					469.75
Disputed dues – MSME							-
Disputed dues - Others							-
Total	-	469.75	-	-	-	-	469.75

Particulars	Rs Lakhs						
	As on March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME							-
Others		109.5					109.50
Disputed dues – MSME							-
Disputed dues - Others							-
Total	-	109.50	-	-	-	-	109.50

6 Trade Payable ageing schedule

Particulars	Rs Lakhs						
	As on March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME							-
Others			103.66	0.06			103.72
Disputed dues – MSME							-
Disputed dues - Others							-
Total	-	-	103.66	0.06	-	-	103.72

Particulars	Rs Lakhs						
	As on March 31, 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME							-
Others			22.71				22.71
Disputed dues – MSME							-
Disputed dues - Others							-
Total	-	-	22.71	-	-	-	22.71

7 Leases

i) Company as a lessee:

The Company has not taken any residential /commercial premises and plant and machinery under short term leases. The Company has a long term leases for office premises.

a) The balance sheet shows the following amounts relating to leases:

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Building	778.67	879.14
Total	778.67	879.14

b) The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Lease Liabilities		
Current	128.96	59.51
Non-current	702.26	830.94
Total	831.22	890.45

c) The following is the movement in Right of Use (Building) Asset during the year ended March 31, 2023:

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Gross Block-Building		
Balance at the beginning of the year	904.26	-
Addition during the year	-	904.26
Deletion during the year	-	-
Balance at the end of the year	904.26	904.26
Amortization		
Balance at the beginning of the year	25.12	-
Addition during the year	100.47	25.12
Deletion during the year	-	-
Balance at the end of the year	125.59	25.12
Net Carrying Amount	778.67	879.14



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

d) Movement of Lease Liabilities during the year ended March 31, 2023

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	890.45	-
Lease Liability added/Deleted during the year	1.45	890.74
Finance cost accrued during the year	60.07	15.46
Payment of Lease Liability	(120.75)	(15.75)
Balance at the end of the year	831.22	890.45

e) The following are the amounts recognised in statement of profit and loss

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	100.47	25.12
Interest expense on lease liabilities (Net of Interest income on fair value of security deposit aggregating 1.17 Lakhs) / Pre. Yr. 0.28 Lakhs)	60.07	15.46
Loss (profit) for the year	160.54	40.58

f) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Less than one year	69.45	59.51
One to five years	381.76	340.39
More than five years	380.01	490.55
Total	831.22	890.45

g) Rental expense recorded for short-term leases was Rs 1.31 Lacs (Nil) for the year ended March 31, 2023.

h) Future cash flows to which the company is committed (e.g. variable lease payments and leases not yet commenced): None

ii) Company as a Lessor

The Company has leased out a portion of its office space till the financial year ended March 31, 2024. The lease rent, which is renewable as per the lease agreement at a rate to be mutually agreed, amounting to Rs 5.00 Lakhs, has been credited to the statement of profit and loss.

In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' disclosure of a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
(i) Not later than one year	6.00	3.60
(ii) later than one year and not later than two years	5.10	3.60
(iii) later than two years and not later than three years	1.00	2.70
(iv) later than three years and not later than four years	-	-
(v) later than four years and not later than five years	-	-
(vi) later than five years	-	-
Total	12.10	9.90



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures

Name of the Related Parties

PARTICULARS	2022-23	2021-22
Holding Company	Apollo Tyres Limited	Apollo Tyres Limited
Fellow Subsidiaries	Apollo Tyres (Greenfield) B.V. Apollo Tyres Cooperatief U.A. Apollo (South Africa) Holdings (Pty) Ltd Apollo Tyres Africa (Pty) Ltd Apollo Tyres (Thailand) Limited Apollo Tyres (Middle East) FZE Apollo Tyres Holdings (Singapore) Pte Ltd ATL Singapore Pte Ltd. Apollo Tyres (Malaysia) SDN BHD Apollo Tyres (UK) Holdings Ltd. (Formerly, Apollo Tyres (UK) Pvt Limited.) Apollo Tyres (London) Pvt Ltd Apollo Tyres Global R&D B.V. Apollo Tyres (R&D) GmbH (Formerly, Apollo Tyres (Germany) GmbH) Apollo Tyres AG Apollo Tyres Do (Brasil) Ltda Apollo Tyres (Europe) B.V (Formerly, Apollo Tyres B.V) Apollo Tyres (Hungary) Kft. Apollo Tyres (NL) B.V. (Formerly, Apollo Vredestein B.V.) Apollo Tyres (Germany) GmbH (Formerly, Apollo Vredestein GmbH) Apollo Tyres (Nordic) AB (Formerly, Apollo Vredestein Nordic A.B.) Apollo Tyres (UK) Sales Ltd. (Formerly, Apollo Vredestein (UK) Ltd) Apollo Tyres (France) SAS (Formerly, Apollo Vredestein France SAS) Apollo Tyres (Belux) SA (Formerly, Apollo Vredestein Belux) Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly, Apollo Vredestein Gesellschaft m.b.H.) Apollo Tyres (Schweiz) AG (Formerly, Apollo Vredestein Schweiz AG) Apollo Tyres Iberica, S.A (Formerly, Apollo Vredestein Iberica SAU) Apollo Tires (US) Inc. (Formerly, Apollo Vredestein Tires Inc.) Apollo Tyres (Hungary) Sales Kft. (Formerly, Apollo Vredestein Kft) Apollo Tyres (Polska) Sp. Z O.O. (Formerly, Apollo Vredestein Opony Polska Sp. Zo.o.) Vredestein Consulting B.V. Finlo B.V. Reifencor GmbH, Hannover Reifencor Tyre (Qingdao) Co., Ltd. Saturn F1 Pvt Ltd	Apollo Tyres (Greenfield) B.V. Apollo Tyres Cooperatief U.A. Apollo (South Africa) Holdings (Pty) Ltd Apollo Tyres Africa (Pty) Ltd Apollo Tyres (Thailand) Limited Apollo Tyres (Middle East) FZE Apollo Tyres Holdings (Singapore) Pte Ltd ATL Singapore Pte Ltd. Apollo Tyres (Malaysia) SDN BHD Apollo Tyres (UK) Holdings Ltd. (Formerly, Apollo Tyres (UK) Pvt Limited.) Apollo Tyres (London) Pvt Ltd Apollo Tyres Global R&D B.V. Apollo Tyres (R&D) GmbH (Formerly, Apollo Tyres (Germany) GmbH) Apollo Tyres AG Apollo Tyres Do (Brasil) Ltda Apollo Tyres (Europe) B.V (Formerly, Apollo Tyres B.V) Apollo Tyres (Hungary) Kft. Apollo Tyres (NL) B.V. (Formerly, Apollo Vredestein B.V.) Apollo Tyres (Germany) GmbH (Formerly, Apollo Vredestein GmbH) Apollo Vredestein Nordic A.B. Apollo Tyres (UK) Sales Ltd. (Formerly, Apollo Vredestein (UK) Ltd) Apollo Tyres (France) SAS (Formerly, Apollo Vredestein France SAS) Apollo Tyres (Belux) SA (Formerly, Apollo Vredestein Belux) Apollo Tyres (Austria) Gesellschaft m.b.H. (Formerly, Apollo Vredestein Gesellschaft Apollo Tyres (Schweiz) AG (Formerly, Apollo Vredestein Schweiz AG) Apollo Tyres Iberica, S.A (Formerly, Apollo Vredestein Iberica SAU) Apollo Tires (US) Inc. (Formerly, Apollo Vredestein Tires Inc.) Apollo Tyres (Hungary) Sales Kft. (Formerly, Apollo Vredestein Kft) Apollo Tyres (Polska) Sp. Z O.O. (Formerly, Apollo Vredestein Opony Polska Vredestein Consulting B.V. Finlo B.V. Reifencor GmbH, Hannover Reifencor Tyre (Qingdao) Co., Ltd. Saturn F1 Pvt Ltd
Entities in which directors of parent company (Apollo Tyres Ltd) are interested	Artemis Medicare Services Ltd Artemis Cardiac Care Pvt Ltd Premedium Pharmaceuticals Pvt Ltd Swaranganga Consultants Pvt Ltd Sunrays Medi Equipment Pvt Ltd	Artemis Medicare Services Ltd Artemis Cardiac Care Pvt Ltd Premedium Pharmaceuticals Pvt Ltd Swaranganga Consultants Pvt Ltd N.A.
Key management personnel	Mr. Anil Chopra Mr. Ravi Kumar Shingari Mr. Dominic George Martin Mr. Rohit Arora	Mr. Anil Chopra Mr. Ravi Kumar Shingari Mr. Dominic George Martin Mr. Rohit Arora

Notes: Related parties and their relationships are as identified by the management and relied upon by the auditors.



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Transactions and balances with Related Parties:

FY 2022-23

Rs Lakhs

Particulars	Holding Company	Entities in which directors of parent company (Apollo Tyres Ltd) are interested	Key Management Personnel	Total
Description of Transactions:				
Share Capital Received :				
Apollo Tyres Ltd	651.30	-	-	651.30
Sale of Services				
Apollo Tyres Ltd	1,199.38			1,199.38
Cross charge of management and other expenses paid:				
Apollo Tyres Ltd	21.20			21.20
Rent Paid				
Swaranganga Consultants Pvt Ltd		120.75		120.75
Rent Received				
Artemis Medicare Services Ltd		1.80		1.80
Artemis Cardiac Care Pvt Ltd		1.20		1.20
Premedium Pharmaceuticals Pvt Ltd		0.60		0.60
Nutriburst India Pvt Ltd		0.90		0.90
Sunrays Medi Equipment		0.50		0.50
		5.00		5.00
Security Deposit Paid				
Swaranganga Consultants Pvt Ltd		-		-
Amount outstanding as on March 31, 2023				
Trade payable:				
Apollo Tyres Ltd		-		-
Trade receivable:				
Apollo Tyres Ltd		468.43		468.43
Artemis Cardiac Care Pvt Ltd		-		-
Artemis Medicare Services Ltd		0.18		0.18
		468.61		468.61
Other non current financial assets				
Swaranganga Consultants Pvt Ltd		31.50		31.50
Other current financial assets				
Apollo Tyres Ltd		10.65		10.65

FY 2021-22

Rs Lakhs

Particulars	Holding Company	Entities in which directors of parent company (Apollo Tyres Ltd) are interested	Key Management Personnel	Total
Description of Transactions:				
Share Capital Received :				
Apollo Tyres Ltd	490.00	-	-	490.00
Sale of Services				
Apollo Tyres Ltd	100.74			100.74
Cross charge of management and other expenses paid:				
Apollo Tyres Ltd	14.13			14.13
Rent Paid				
Swaranganga Consultants Pvt Ltd		15.75		15.75
Rent Received				
Artemis Medicare Services Ltd		0.45		0.45
Artemis Cardiac Care Pvt Ltd		0.30		0.30
Premedium Pharmaceuticals Pvt Ltd		0.15		0.15
		0.90		0.90
Security Deposit Paid				
Swaranganga Consultants Pvt Ltd		31.50		31.50
Amount outstanding as on March 31, 2022				
Trade payable:				
Apollo Tyres Ltd		17.81		17.81
Trade receivable:				
Apollo Tyres Ltd		108.97		108.97
Artemis Cardiac Care Pvt Ltd		0.35		0.35
Premedium Pharmaceuticals Pvt Ltd		0.18		0.18
		109.50		109.50
Other non current financial assets				
Swaranganga Consultants Pvt Ltd		31.50		31.50



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

9 Ratios

Particulars	Units	March 31, 2023	March 31, 2022	% change from March 31, 2022 to Mar 31, 2023
Current Ratio	Times	2.28	3.48	(34.56)
Debt-Equity Ratio	Times	-	-	-
Debt Service Coverage ratio	Times	-	-	-
Inventory Turnover ratio	Times	-	-	-
Trade Receivable Turnover Ratio	Times	4.14	1.84	125.06
Trade Payable Turnover Ratio	Times	-	-	-
Net Capital Turnover Ratio	Times	2.58	0.37	598.80
Net Profit ratio	Percentage	0.06	(0.11)	(160.38)
Return on Equity ratio	Percentage	0.09	(0.04)	(310.96)
Return on Capital Employed	Percentage	0.136	0.005	2,850.05
Return on Investment	Percentage	0.070	0.002	4,368.06

9.1 Elements of Ratios

Ratios	March 31, 2023		March 31, 2022		Rs Lakhs
	Numerator	Denominator	Numerator	Denominator	
Current ratio	828.37	363.37	382.82	109.89	
Debt- Equity Ratio	N.A.	N.A.	N.A.	N.A.	
Debt Service Coverage ratio	N.A.	N.A.	N.A.	N.A.	
Inventory Turnover ratio	N.A.	N.A.	N.A.	N.A.	
Trade Receivable Turnover Ratio	1,199.38	289.63	100.74	54.75	
Trade Payable Turnover Ratio	N.A.	N.A.	N.A.	N.A.	
Net Capital Turnover Ratio	1,199.38	465.00	100.74	272.93	
Net Profit Ratio	77.85	1,199.38	(10.83)	100.74	
Return on Equity ratio	77.85	848.13	(10.83)	248.91	
Return on Capital Employed	164.11	1,207.77	2.25	488.50	
Return on Investment	164.11	2,333.26	2.25	1,429.33	

9.2 Consideration of Element of Ratio

- i. **Current Ratio:**
Numerator= Current Assets
Denominator= Current Liabilities
- ii. **Debt-Equity Ratio:**
Numerator= Total Debt
Denominator= Total Equity - Revaluation Reserve
- iii. **Debt Service Coverage ratio:**
Numerator= Profit before Tax + Finance cost + Depreciation
Denominator= Repayment of Borrowings + Interest on Borrowings
- iv. **Inventory Turnover ratio:**
Numerator= Cost of Goods Sold
Denominator= Average Inventory
- v. **Trade Receivable Turnover Ratio:**
Numerator= Total Sales
Denominator= Average Trade Receivables
- vi. **Trade Payable Turnover Ratio:**
Numerator= Total Purchases
Denominator= Average Trade Payables
- vii. **Net Capital Turnover Ratio:**
Numerator= Revenue from operations
Denominator= Working Capital (i.e. Current Assets - Current Liabilities)
- viii. **Net Profit ratio:**
Numerator= Net Profit after tax
Denominator= Revenue from operations
- ix. **Return on Equity ratio:**
Numerator= Net Profit after tax
Denominator= Average Shareholder's Equity
- x. **Return on Capital Employed:**
Numerator= Earning before interest and taxes
Denominator= Total Networth+ Total Debt+ Total Deferred Tax Liability
- xi. **Return on Investment:**
Numerator= Earning before interest and taxes
Denominator= Total Assets

9.3 Reasons for more than 25% increase/ (decrease) in above ratios

Particulars	% change from March 31, 2022 to Mar 31, 2023
Current Ratio	Change is due to increase in Trade and other payables
Debt-Equity Ratio	N.A.
Debt Service Coverage ratio	N.A.
Inventory Turnover ratio	N.A.
Trade Receivable Turnover Ratio	Change is due to increase in Trade Receivables in current year
Trade Payable Turnover Ratio	N.A.
Net Capital Turnover Ratio	N.A.
Net Profit ratio	Not Significant
Return on Equity ratio	Change is due to increase in share capital
Return on Capital Employed	Change is due to increase in share capital
Return on Investment	Change is due to increase in share capital



APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

10 Operating segments

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore "Income from support services to Apollo Tyres Limited."

Geographical information

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets. Company's revenue is derived from domestic customer only. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Information about major customers

Revenue from one customer amounting to Rs 100.74 Lakhs (Rs NIL), arising from business support services

11 Capital Commitments

Particulars	Rs Lakhs	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	183.55	487.88

12a Disclosure under IND AS 115 (Revenue from Contracts with Customers)

Particulars	Rs Lakhs	
	As at March 31, 2023	As at March 31, 2022
Type of Services or goods		
Revenue from Business Support services	1199.38	100.74
Revenue from Contracts with Customers		
Revenue from Customers based in India	1,199.38	100.74
Revenue from Customers based outside India	-	-
Total	1,199.38	100.74
Timing of Revenue Recognition		
Service rendered over time (Business Support services)	1,199.38	
Total	1,199.38	-

Particulars	Rs Lakhs	
	As at March 31, 2023	As at March 31, 2022
Trade receivables and Contract Customers		
Trade Receivables (includes GST)	469.75	109.50



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

C. OTHER NOTES

12b Employee benefit liability

A. Defined contribution plans

Contributions are made to the Company's employees provident fund trust/regional provident fund, employee state insurance, labour welfare fund and employee deposit linked insurance in accordance with the respective fund rules. The interest rate payable to the beneficiaries every year is being notified by the government.

The amount of contribution made by the Company to employees provident fund trust/regional provident fund is **Rs. 26.59 Lakhs** (Rs. 1.34 Lakhs).

B. Defined benefit plans

a. Post employment benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Payment of Gratuity Act, 1972.

The following table summaries the components of net benefit expense recognized in the statement of profit and loss and balance sheet. (Net of reimbursement from Apollo Tyres Ltd.)

Changes in the present value of defined benefit obligation

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	27.90	
Current service cost	7.67	
Interest cost	2.04	
Actuarial (gain) / loss	13.20	
Benefits paid	-	
Present value of obligation as at the end of the year	50.82	27.90

Changes in the fair value of plan assets

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year		
Expected return on plan assets		
Employer contribution / Cost pertain for service cost		
Employer contribution / Cost pertain for actuarial (gain) / loss		
Benefits paid		
Fair value of plan assets as at the end of the year	-	-

Net asset / (liability) recognised in the balance sheet

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the end of the year (a)	-	-
Present value of obligation as at the end of the year (b)	50.82	27.90
Net asset / (liability) recognized in the balance sheet (a - b)	(50.82)	(27.90)

Net expense recognised in the statement of profit and loss

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Current service cost	7.67	-
Interest cost (net)	2.04	-
Expense recognised in the statement of profit and loss	9.72	-

Other comprehensive income

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Actuarial (gain) / loss recognised in other comprehensive income	13.20	-



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Principal assumptions

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Discount rate	7.39	
Future salary increase *	7.80	
Retirement age (years)	60	
Mortality table	IALM (2012-14)	
Ages (withdrawal rate%)		
Up to 30 Years	20.00	
From 31 to 44 years	20.00	
Above 44 years	20.00	

* The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Sensitivity analysis

Impact of change in	Rs. Lakhs	
	Discount Rate	Salary Increase
Present value of obligation as on March 31, 2023	50.82	50.82
Impact due to increase of 0.50%	(1.11)	1.15
Impact due to decrease of 0.50 %	1.16	(1.11)

b. Other long term employee benefits

Long term compensated absences

The following table summaries the components of net benefit expense recognized in the statement of profit and loss and balance sheet.

Changes in the present value of defined benefit obligation

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	-	
Current service cost	11.80	
Interest cost	-	
Actuarial (gain) / loss	3.87	
Benefits paid	-	
Present value of obligation as at the end of the year	15.67	-

Changes in the fair value of plan assets

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	-	
Expected return on plan assets	-	
Employer contribution / cost pertain for service cost	-	
Employer contribution / cost pertain for actuarial (gain) / loss	-	
Benefits paid	-	
Fair value of plan assets as at the end of the year	-	-

Net asset / (liability) recognised in the balance sheet

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the end of the year (a)	-	-
Present value of obligation as at the end of the year (b)	15.67	-
Net asset / (liability) recognized in the balance sheet (a - b)	(15.67)	-



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Net expense recognised in the statement of profit and loss

Particulars	Rs. Lakhs	
	As at March 31, 2023	As at March 31, 2022
Current service cost	11.80	-
Interest cost (net)	-	-
Net actuarial (gain) / loss	3.87	-
Expense recognised in the statement of profit and loss	15.67	-

Principal assumptions

Particulars	Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021
Discount rate	7.39	
Future salary increase	7.80	
Retirement age (years)	60	
Mortality table	IALM (2012-14)	
Ages (withdrawal rate%)		
Up to 30 Years	20.00	
From 31 to 44 years	20.00	
Above 44 years	20.00	

* The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Sensitivity analysis

Impact of change in	Rs. Lakhs	
	Discount Rate	Salary Increase
Present value of obligation as on March 31, 2023	15.67	15.67
Impact due to increase of 0.50%	(0.39)	0.39
Impact due to decrease of 0.50 %	0.41	(0.41)



**APOLLO TYRES CENTRE OF EXCELLENCE LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT**

12c Other Statutory Information (to the extent applicable) - Part:1

- (i) There is no Immovable Properties, Title deeds of those are not held in the name of the Company.
- (ii) The company has no investment property and accordingly its fair valuation is not required at year end.
- (iii) & (iv) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
- (v) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are (a) Repayable on demand; or (b). without specifying any terms or period of
- (vi) The ageing of all capital work-in-progress is less than 1 Year old as on the date of financial statements.
- | CWIP ageing schedule | Less than 1 year | More than 1 years |
|--------------------------------------|------------------|-------------------|
| - Projects in progress (F.Y.2022-23) | 9.50 | N.A. |
| - Projects in progress (F.Y.2021-22) | N.A. | N.A. |
- (vii) The company has no intangible asset under development and accordingly its ageing is not required at year end.
- (viii) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ix) The Company has not taken any borrowings from banks / financial institutions on the basis of security of current assets.
- (x) The company is not declared wilful defaulter by any bank or financial institution or other lender.
- (xi) The Company does not have any transactions with companies struck off.
- (xii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.
- (xiii) The company has not made any investments till 31-03-2023, hence compliance with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017 is not applicable
- (xiv) For ratios, refer Note 9 above.
- (xv) Compliance with approved Scheme(s) of arrangements in terms of Sec 230 - 237 of Companies Act 2013 - Not Applicable
- (xvi) (A) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (xvi) (B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Other Statutory Information (to the extent applicable) - Part:2

- (i) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (ii) The CSR Compliance is not applicable on the Company for financial year 2021-22 & 2022-23
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



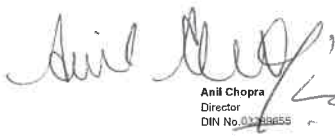

APOLLO TYRES CENTRE OF EXCELLENCE LTD.

C OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

13 Earnings per share (EPS) – the numerator and denominator used to calculate basic and diluted earnings per share

Particulars	2022-23	2021-22
Basic and diluted earnings per share		
Profit attributable to the equity shareholders used as numerator (Rs. lakhs) - (A)	77.85	(10.83)
The weighted average number of equity shares outstanding during the year used as denominator - (B)	52,43,616	17,51,233
Basic and diluted earnings per share (Rs.) – (A) / (B) (Face value of Re 10 each)	1.48	-0.62

For and on behalf of the Board of Directors

Anil Chopra
Director
DIN No. 01738855

Ravi Shingari
Director
DIN No. 08912855

Place : Gurugram
Date : April 28, 2023

