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REALISE YOUR TRUE POTENTIAL
Apollo Tyres Ltd.
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Apollo Tyres Ltd.
ANNUAL REPORT 2010-11

APOLLO TYRES LTD is in the business of manufacture and sale of tyres. Since its inception in 1972 in India, the company has steadily expanded its operations across the world, extending itself into the area of providing tyre care services through specialised outlets.

REALISE YOUR TRUE POTENTIAL expresses Apollo Tyres' continuous pursuit of excellence. As an enterprise, this belief reflects itself in our quest for growth, the desire to cross geographic boundaries and venture into new territories, and evolve as a result of our mutli-cultural identity. Embracing this philosophy, we strive to provide a refreshing customer service experience and empower our employees to constantly upgrade their skills and outlook to enable all individuals to fulfill their real **potential.**

CONTENTS


apollo

438,524+

Metric tonnes of tyres produced

Strong product demand has led us to expand our manufacturing locations, capacity and increase day-to-day technology deployment across Apollo. An active exchange of best practices between manufacturing operations, across the world, has resulted in better efficiencies and a diverse product mix with the introduction of environment-friendly material and processes.

Onkar S Kanwar
Chairman & Managing Director

LETTER TO SHAREHOLDERS

Dear Shareholder,

Five years ago, in my annual letter to you I first informed you of your company's strategic plan to reach a turnover of $ 2 billion by the year 2010-11. Many in the industry looked doubtfully at a company that was then less than $ 500 million. However you, our shareholders, once again reposed in us your full faith and trust, and it is a matter of great delight for me to report to you that yet again the team at Apollo has lived up to your confidence. Targets are set, and targets are achieved. However, what is often critical is the manner in which a goal is attained. My confidence in the future stems more from the work that has gone into putting systems and processes in place for the coming years, than the achievement which is already behind us.

What next for Apollo Tyres?

We exist in an industry, and indeed a world, that is going through a period of ever-escalating change. Whether in our markets, or in our raw materials or indeed in our people and processes, we have to keep pushing the envelope to ensure that we remain ahead of the game. Our imperative is to be masters of our fate, and the only way to do that is to be flexible, alert, scaled up and yet agile.

For your Company, at all points in time, the mantra has been to deliver maximum value to each of our stakeholders. We believe that realising our own potential – as an institution, as employees, as guardians of your trust – is what allows us to deliver value year on year. This means that as we reach a milestone, it is time again to begin a journey in pursuit of the next – this time one that stretches and challenges us even more than before, and one that seems more audacious than the last. Your Company's aim is to be ranked among the Top 10 tyre manufacturers in the world! We believe, realising our potential, is no different from dreaming dreams and then working hard to make them a reality.

In these past few years, your Company has made certain significant and large scale investments towards the future. These relate to building a series of world class infrastructure of plants and machinery across India, South Africa and Netherlands, to be able to produce efficiently to satisfy rising market demands, including a state-of-the-art plant in Chennai. Significant investments are planned in research and development, which will move your Company to a more sustainable future, with the use of 'green' materials, and increased fuel efficiency from our tyres. Most importantly, we will continue investing in our people, empowering and enabling them to make all this possible, while adhering to the highest standards of transparency and governance.

In short, we continue to create a foundation for future growth, which your Company will now use as a springboard to realise its true potential. Our plans going forward continue to remain as ambitious as ever.

Expansion across geographies: A widening of our product range and providing best-in-class services continue to remain focus areas. Even as we plan the path ahead to becoming one of the Top 10 tyre manufacturers in the world, the challenges of operating in a global world are a reality like never before.

For the tyre industry as a whole, it has become increasing difficult to secure profits – the much-needed resources to fuel future growth. The challenges before your Company and the industry are multiple. Uneven levels of growth, and the inability of some economies to recover fully from the slowdown, might be dampeners, but definitely are not deterrents for your Company. These are global realities. What works to mitigate this is a team that is in place, capable of strategic planning, continued innovation and quick implementation to work around today's global issues.

However, one critical area continues to plague our industry – unmitigated rise in the price of our raw materials. As you well know, this year, we have witnessed unprecedented natural rubber prices which show no signs of softening. Moreover, the gap between the demand for natural rubber across the world, and its supply, is also increasing every day. I assure you, your Company is working on this issue, on all fronts to address it effectively. Our research teams are working to find ways and means to decrease this unconditional dependence on natural rubber to whatever extent possible. Simultaneously, your Company is working to decisively enter the area of rubber plantations to secure for ourselves a captive source of natural rubber. We have made a small beginning, which we are now looking to grow to its complete potential.

As I look ahead, I am confident and optimistic about the direction being taken by your Company. We believe that realising our potential is not a one time job. The horizon expands every day. Your Company will go the distance to bring to you its real potential in all that it does, year on year.

I would like to thank you for being an active partner throughout our journey so far, and seek your support in the growth years that are ahead of us.

With all good wishes to you and your families.

Onkar Kanwar

ONKAR S KANWAR
Chairman & Managing Director

1,939+

Kinds of tyres sold

Between the 6 key brands, manufactured in 3 countries, Apollo has tyres to suit nearly all kinds of vehicles, applications, usage and terrains. From working underground to extract mineral wealth, to enabling individuals and families move across destinations to create memorable experiences with their friends and loved ones.

MANAGEMENT

Apollo Tyres follows a two-tier management and decision making process to ensure incorporation of diverse viewpoints and complete impartiality before any major decision is executed.

The Supervisory Board (Board of Directors), led by the Chairman, primarily comprises Non-Executive Directors, with a legacy of expertise from the worlds of banking and finance, government, the tyre industry and legal affairs. All having a wealth of experience in running successful, high growth enterprises. The Supervisory Board comprises 9 Non-Executive Directors and 4 Executive Directors, providing guidance, approval to major policy and strategic decisions, and overseeing all governance and shareholder interests.

The Management Board, led by the Chairman and Vice Chairman, comprises 11 members of the company's senior management team, representing critical functions and the geographies Apollo is present in. The Management Board aligns policy decisions and their implementation, reviews all major projects and investment decisions, and is responsible for employee, customer, supplier and local community welfare through all its actions.

Both Boards formally meet at least once during each quarter, and more if and when required.

Neeraj Kanwar
Vice Chairman & Managing Director

16,138+

Kilogrammes of paper saved

From manufacturing to day-to-day operations, Apollo understands the need to balance consumption with available resources. In 12 months, 209 mature trees were saved – at just 1 location – by recycling office paper. Imagine the power of multiplication and its impact on our environment.

SUPERVISORY BOARD

Standing left to right:

• P N Wahal, Company Secretary, Apollo Tyres Ltd • K Jacob Thomas, Managing Director, Vaniamapara Rubber Co Ltd
• Sunam Sarkar**, Chief Financial Officer, Apollo Tyres Ltd • Neeraj Kanwar, Vice Chairman & Managing Director, Apollo Tyres Ltd
• Robert Steinmetz, Former Chief of International Business, Continental AG • U S Oberoi**, Chief, Corporate Affairs, Apollo Tyres Ltd
• Dr A K Dubey*, Principal Secretary, Finance, Government of Kerala

Sitting left to right:

• Arun Kumar Purwar, Former Chairman, State Bank of India • M R B Punja, Former Chairman, Industrial Development Bank of India

• Onkar S Kanwar, Chairman & Managing Director, Apollo Tyres Ltd • Nimesh N Kampani, Chairman, J M Financial Group

• Dr S Narayan, Former Principal Secretary to the Prime Minister of India

Not in picture:

• T Balakrishnan *, Principal Secretary, Industries, Government of Kerala

• Shardul S Shroff, Senior Partner, Amarchand & Mangaldas & Suresh A Shroff & Co

*Nominee ** Whole time Director

16,000+

Dedicated minds at work

All this, and more, is possible because of a talented, engaged and empowered team, willing to go the distance at all times. Apollo follows an integrated approach towards constant learning and reward, encouraging employees to enhance their skills to enable both teams and individuals to deliver on their true potential.

MANAGEMENT BOARD

Standing left to right:

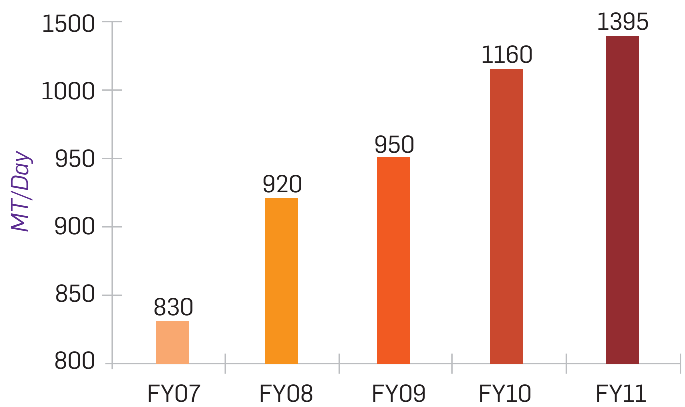
• Gaurav Kumar, Group Head, Corporate Strategy & Finance • Tapan Mitra, Chief, Human Resources
• Sunam Sarkar, Chief Financial Officer • Luis Ceneviz, Chief, Africa Operations • Satish Sharma, Chief, India Operations
• Rob Oudshoorn, Chief, Europe Operations • Kaushik Roy, Group Head, Corporate Purchase

Sitting left to right:

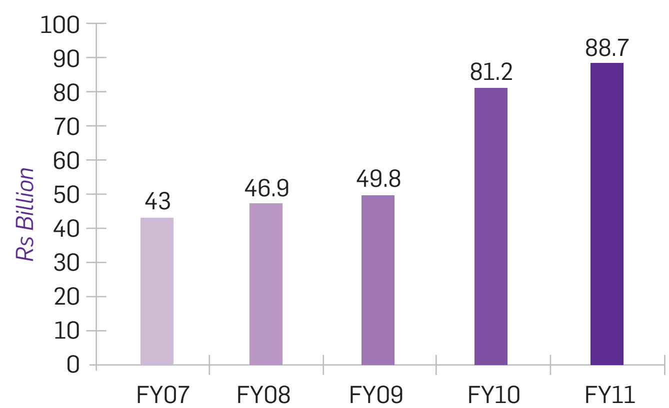
- P N Wahal, Company Secretary • Neeraj Kanwar, Vice Chairman & Managing Director
- Onkar S Kanwar, Chairman & Managing Director • Robert Steinmetz, Non Executive Director
- P K Mohamed, Chief Advisor, Research & Development

PERFORMANCE HIGHLIGHTS
(Consolidated)

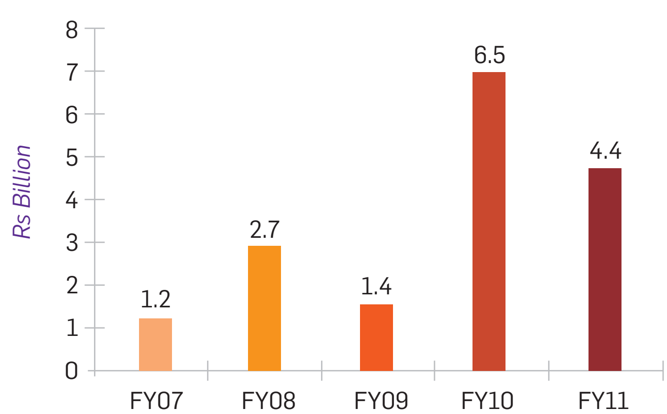
Capacity



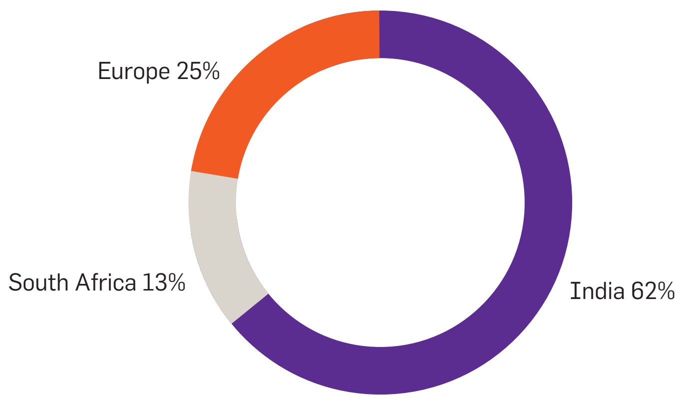
Net Sales



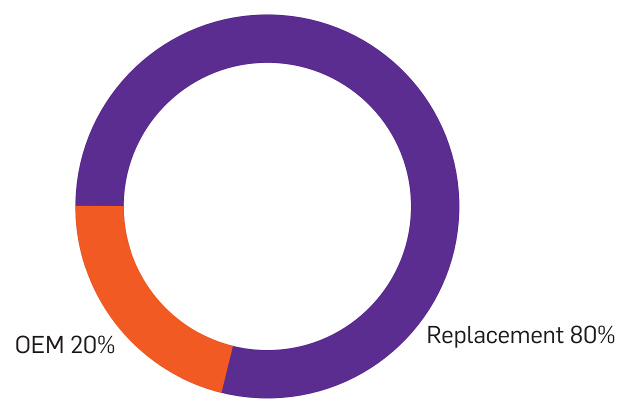
Net Profit



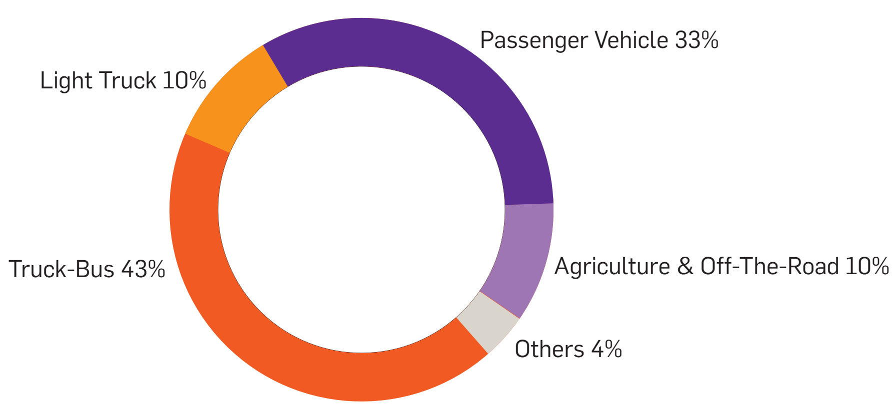
Revenue Segmentation by Geography



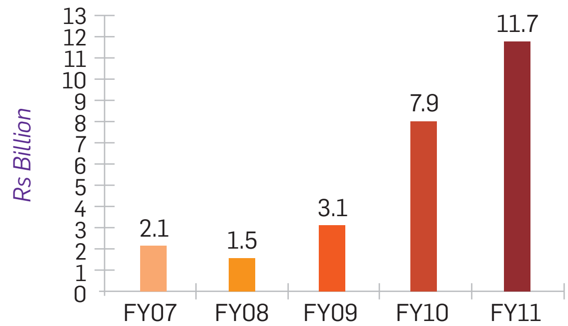
Revenue Segmentation by Customer



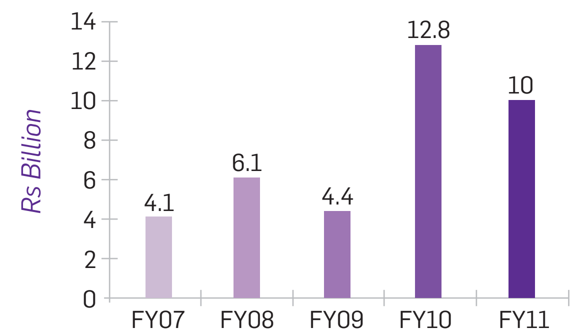
Revenue Segmentation by Product



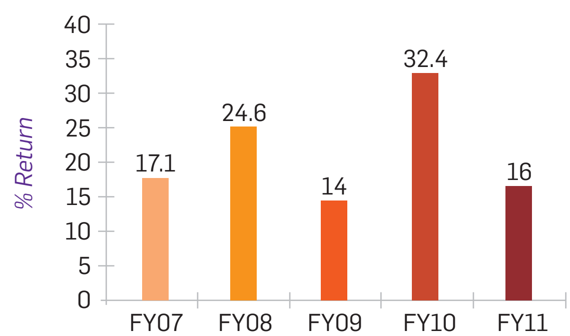
Capital Expenditure (Capex)



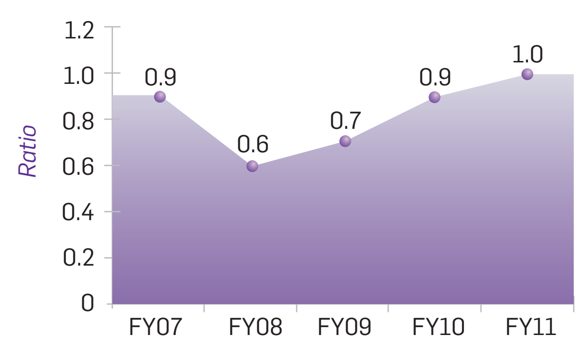
EBIDTA



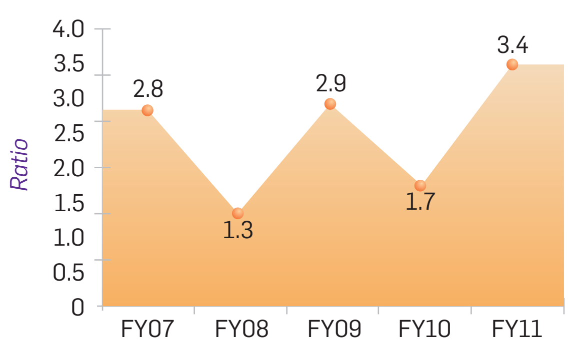
Return on Capital Employed



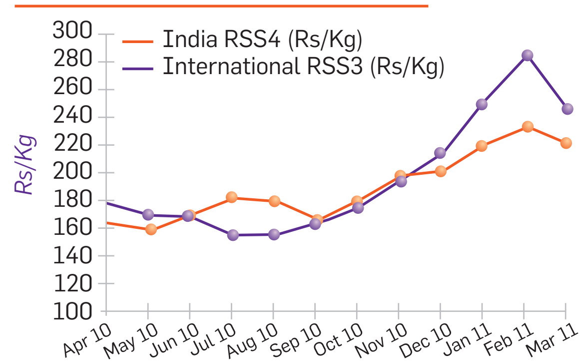
Debt: Equity



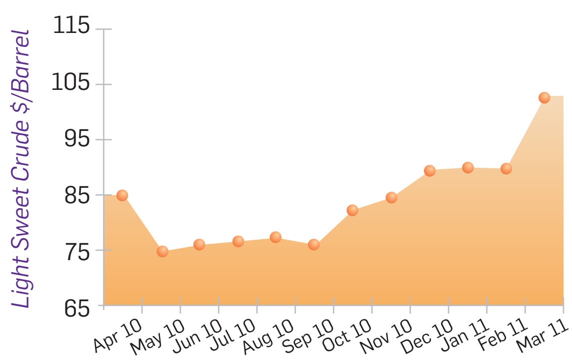
Debt: EBITA



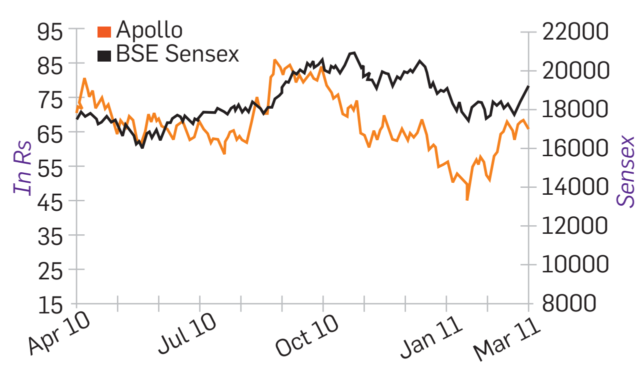
Natural Rubber Price Movement



Crude Oil Price Movement



Share Price Movement



MANAGEMENT DISCUSSION & ANALYSIS

Over the past 5 years, Apollo Tyres has clocked a CAGR of 20% in terms of sales revenues. This growth has been made possible due to a strategic planning process and an intense focus on internal efficiencies, cost optimisation and customer satisfaction. In the following pages, the Company reviews its achievements and challenges in the financial year ended March 31, 2011.

MARKET OVERVIEW

According to the Centre for Monitoring Indian Economy, India's real GDP grew by about 9% in FY11, leading to a positive sentiment in the industry. The Reserve Bank of India, with a view to rein inflation and high crude oil prices, resorted to hikes in interest rates.

Tyre sales are closely related to growth in the automotive sector, which in turn is dependent on the National GDP. In the year gone by, sales of medium and heavy commercial vehicles put together, in volume terms, grew by nearly 38%; while the light commercial vehicle category grew by around 33%, driven in part by smaller 1-ton vehicles. A key reason for growth across categories was a shift to the new generation BS3 vehicle platforms from the older BS2.

In FY11, the Indian tyre industry clocked an estimated turnover of Rs 350 billion. In absolute terms, the industry produced 3% more truck-bus tyres in FY11 over the previous year, while the production of light commercial vehicle and tractor rear tyres grew by 5% and 9% respectively. A significant production increase of around 30% was noted in the passenger vehicle category. The overall level of radialisation in the truck-bus segment, as expected, increased to about 16% in FY11.

In the coming year, growth is expected to be aided by a healthy demand from OEMs, but inflationary pressures may have an adverse impact on this equation.

Additionally, skyrocketing cost of raw materials will continue to pose a challenge, forcing manufacturers to either undertake hikes, lower production or sell at a sub-optimal price point. Raw material costs went up by as much as 40% for the tyre industry in the last 12 months. More so because of price of natural rubber, which comprises 50% of the raw material, went up by almost 70% in FY11.

The European economy showed signs of gradual improvement with GDP growth in the Euro Zone countries at 1.8% compared to negative growth in the previous year of 4.1%. The turnaround was led by Germany with strong growth numbers at around 3.6%. However, doubts around the financial capabilities of a few debt-ridden countries, moderated the growth outlook. The Euro recovered from a lower level of exchange rate US$1.20/€ during mid FY11, after intervention by other Euro Zone countries in terms of establishing the Stablisation Fund.

The automobile industry too went through a phase of slow and gradual recovery in FY11, still recovering from the slowdown. The year continued to witness a steady demand for tyres, which began in the latter half of FY10, further boosted by a second successive prolonged and extreme winter and subsequently, a renewed demand for winter tyres. Though summer car tyre sales registered growth as well, overall growth was largely driven by winter tyre sales. A few European countries introduced fresh legislations around the use of winter car tyres, which contributed to a higher demand.

The second half of FY11 saw a sharp and continued escalation in raw material prices, mainly driven by prices of natural rubber, which reached its peak towards the beginning of Q4 FY11 with prices as high as US$ 6 per kg. This necessitated the need for another price increase in the same year, the first being implemented at the beginning of the year. For the European market it was quite an unusual situation to have repeated price increases. However, even this has not allowed manufacturers to offset the input cost fully.

In South Africa, the GDP growth in FY11 was 2.8%, an improvement compared to a 1.7% decline in the previous year. Since FY09 interest rates have been on the decline, aimed at fuelling consumption, but the price of fuel skyrocketed during FY11; a development which has impacted domestic consumption. Though inflation officially averaged at a relatively stable 3.7% in FY11, many economists believe it to be closer to 6%. Hurdles are consistent with exchange rate fluctuations and uncertainty in the relationship with local labour and Unions.

The automotive industry in South Africa saw rejuvenation in the last fiscal year. Vehicle export figures in March 2011 were the highest on record. This performance was based on a recovery on the consumption side of the economy; as interest rates came down by 6.5 points since December 2008, reducing debt burdens of private individuals and businesses. Light commercial vehicle sales showed improvement based on better economic activity, whereas growth in medium and heavy trucks indicated a willingness to invest in the long term. Nonetheless, the economic pressures, for example on fuel, might dampen these going forward.

The tyre industry in South Africa was challenged by significantly higher labour costs and a strong union culture – which even caused a month-long strike in FY11, leading to a substantial loss in production. The frequent hikes in the cost of the basic utilities like electricity further escalated conversion costs. Recent statistics also indicated that across all product categories, the import portion of the market had reached almost 50%; though this is again very much currency driven, but at the same time hints at a lack of effective regulations to curb under declaration of invoices.

In terms of revenue through sales, the tyre industry grew by 3% and 5% for the passenger car and truck bus tyre categories.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Rs 350 billion tyre industry in India, in FY11, was dominated by 5 major players – Apollo, Birla, Ceat, JK Tyres and MRF – accounting for around 85% of the industry turnover. The said players manufactured tyres across all segments except for two-wheelers where only MRF, Ceat and Birla cater to the category. International players like Bridgestone and Goodyear sold as well, but were restrained due to presence in limited product categories at their manufacturing facilities in India.

Bridgestone initially focussed on only passenger car tyres; it had begun with a 40% market share, more than a decade back, and remained the leader in this category until FY10. However, Bridgestone has over the years lost market share to domestic players. In FY11, it conceded its pole position to MRF. Goodyear shared a similar fate and is currently seen as a relatively small player in all segments, except agriculture tyres.

Other players like Michelin, Hankook and Yokohama operated in the replacement market, to a limited extent, through imports from China and Thailand. In the coming years, the industry is expected to see greater competition as international players set up manufacturing units in the country; for instance Michelin and Bridgestone have announced dedicated truck-bus radial tyre units while Continental is seeking an entry through the acquisition of Modi Tyres.

In terms of trends, radialisation in the truck-bus segment picked up pace and reached 16% in FY11; the same is expected to reach over 30% by FY14. Considering this, Apollo's investment in its recently inaugurated all-radial greenfield in Chennai, Tamil Nadu, does not come as a surprise – the Chennai unit is expected to have a capacity of 465 metric tonnes (MT) per day by the end of FY12. Having said that, cross ply tyres still constitute the bulk of the market and to meet this demand light truck cross ply tyre capacity was upped by 23 MT per day at the Perambra facility. Similarly, the capacity for light truck and rear tractor cross ply tyres was also increased by 13 MT per day at the Limda plant; while the passenger car and light truck radial tyre capacity at Limda increased by approximately 135 MT per day and 30 MT per day respectively. The 4 Indian manufacturing facilities together clocked a combined production of around 957 metric tonnes a day in India, in FY11.

Most domestic players are looking to build greater capacities in this segment. In FY11, nearly 40% of the truck-bus radial demand was met through imports, a significant portion of which was channelled by Michelin.

In FY11, as well as in previous years, the tyre industry was dominated by commercial vehicle tyres which accounted for 60% of the turnover. The balance 40% was almost equally divided between passenger car, two-wheeler, farm and off-highway tyres. The share of passenger and two-wheelers tyres in the industry turnover has increased in the last few years due to a significantly higher growth, compared to commercial vehicle tyres – this trend is expected to continue in the future.

In anticipation of continued growth in the passenger car segment, most manufacturers are increasing capacity to be able to meet future demand. In FY11, imports in the passenger car category stood at around 15%, bulk of which were imports by the international players.

The biggest influencers in the tyre industry for FY11 were the upward spiralling prices of raw materials – especially natural rubber, which negatively impacted the bottomline of all tyre makers. In this respect, one positive development for FY11, has been the upper cap on the import duty of natural rubber at Rs 20 a kg or 20%, whichever is lower. With natural rubber expected to remain at a level of Rs 220+ per kg or more, going forward the effective import duty on rubber would be a maximum of 10%, as opposed to the prevailing 20%. This is expected to provide some relief to the industry.

The European tyre market is dominated by 6 major players, namely, Bridgestone, Continental, Goodyear, Hankook, Michelin and Pirelli, who account for about 90% of the total business.

In FY11, passenger car tyre sales grew by around 8%, as recorded in the data published by the European Rubber Manufacturers' Conference (ERMC), driven by the demand in winter tyres. The agriculture tyre segment recovered from a significant drop in the previous year, and saw a growth of about 10% in FY11; however, margins in the segment eroded towards the later part of the year, due to an inability to offset raw material cost push.

units in Ladysmith and Durban. The Ladysmith facility will see an expansion in its passenger vehicle range with production increasing from 80 MT per day to 104 MT per day. While the Durban plant is scheduled to up it truck-bus radial production from 60 MT per day to 72 MT per day. However, these capacity developments will only be fully realised by the end of FY12.

To cater to a growing market, Apollo Vredestein geared up to undertake capacity expansion – from 5.5 million tyres per annum to 6.4 million tyres per annum – at its Enschede facility in the Netherlands; this is expected to be completed by end of FY12.

The anticipated legislation on labelling, covering factors like noise, rolling resistance and wet grip, is also scheduled to be implemented in FY12. This is expected to have a major impact on product development in the coming years, as all tyre makers will have to focus on achieving the highest grade.

As mentioned earlier, recent statistics have indicated that across all product categories in South Africa, the import portion of the market reached a level of nearly 50% in FY11; while this strengthened the portfolio of major manufacturers like Hankook, Michelin and Pirelli, it also led to an inventory build up of quality imports from the Far East. At the retail level, a few of the global retail outfits are expected to open shop in the near future.

On the product front, Continental launched a new truck tyre range, backed by an aggressive marketing strategy. Most tyre categories remained stable throughout the year; however, due to a downturn in the construction industry this segment declined – however, this trend has been reversing. Additionally, there was a downturn in the cross ply tyre segment of around 40%.

With an eye on the future, Apollo Tyres South Africa set in motion a process to further build capacities at its 2

FY11 has been a story of escalating raw material prices and a strong Rand. Whilst the raw material phenomenon affected most manufacturers globally, a strong Rand opened the floodgates for cheap and/ or under-invoiced imports in the country, in the absence of non-porous regulations to check the same.

The tyre industry in South Africa was also impacted by high labour costs and a strong union culture. Additionally, there was a port strike leading to a 10-day production stoppage. Frequent hikes in the cost of the basic utilities like electricity, further escalated conversion costs.

SWOT ANALYSIS

Strengths

- Apollo Tyres' diversified market base across 3 continents has enabled it to reduce its dependence, and thereby, the inherent risks of banking on a single market, as compared to its Indian competitors.
- The presence of strong and established brands in the Company's portfolio, in each of its country operations, lends credence to its growth plans.The key brands are "Apollo" in India, "Dunlop" in South Africa and "Vredestein" in Europe.
- An extensive distribution network supporting Apollo Tyres' brands and products in all its 3 key operations.

- Continued leadership position in the commercial vehicle tyre segment in India, including price leadership in the cross ply segment.
- A leading position in the fast-growing passenger car tyre segment in India, reaching the #1 position in production and #2 in market share.
- Strong player in the ultra high performance (UHP) passenger car tyre segment in Europe, particularly in high margin winter tyres.
- Dynamic and progressive leadership.

Weaknesses

- Absence in the two-wheeler and three-wheeler tyre segment in India, which is large and continues to show good growth.
- Sub-optimal production facilities in terms of economic size in South Africa.
- Market dynamics and intense competition in some key markets do not allow passing on cost pressures as and when reasonably required.

Opportunities

- Apollo Tyres' enjoys an early mover advantage, with a large production capacity in the rapidly growing truck-bus radial segment in India, well ahead of key competitors.
- Entry into truck-bus radial retreading segment in India, by further leveraging its leadership position in the commercial segment – this enables the Company to provide a complete solution to its customers and thus, enhance its brand equity.
- Cultivating a sizable market for brand Apollo in Europe by capitalising on the existing European distribution network. This further improves brand recognition and enhances profitability.
- Increased sales of brand Vredestein tyres by providing competitive cost production base out of India and/or sourcing tyres from other players.
- Entry into the off-highway tyre segment in India.
- Introduction of truck-bus and off-highway tyres in Europe.
- Penetrating newer markets in Africa, including tapping into the potential of the Dunlop brand.
- Entry into high potential markets like South America, Australia and Eastern Europe.

Threats

- Potential growth slowdown in the Indian economy due to rising interest rates.
- Increased competition from global players like Michelin and Bridgestone as they enter the truck-bus radial segment in India.
- Degrowth in the truck cross ply segment faster than anticipated.
- Extreme raw material price volatility and cost pressures.
- Exposure to the South African market which continues to face both a country and currency risk.
- Economic downturn in Europe leading to decline in demand.

SEGMENT WISE PERFORMANCE

Despite the cost push, and the closure of the Perambra facility for over a quarter which resulted in production and sales losses, Apollo's India Operations grew by around 9% in FY11. Though the replacement market continued to provide the bulk of the revenue, like the last financial year, revenue growth through the OE segment was a welcome sign. There was no change in the revenue contributed by exports. Product wise revenue segmentation suggested that while the truck-bus segment continues to be the major revenue earner, it is very slowly yielding space to passenger vehicle and light truck categories.

For a burgeoning Indian automobile market, Apollo Tyres introduced a slew of new products and sizes. The Company emerged to be the leading producer in the passenger vehicle tyre category, with the simultaneous release of Aspire and Acelere Maxx ranges, especially for A3+ segments in India and Europe. A new 17 inch size was added to the Hawkz range, making it the ideal choice for premium sports utility vehicles. In the commercial vehicle segment, the Company further fortified its dominance by introducing the Endurace range of radial tyres, which was confirmed by the Automotive Research Association of India as being the most fuel efficient

radial tyres in the category. The agriculture segment was boosted with the launch of Krishak Gold cross ply tyres meant for hard soil applications.

Simultaneously, with OEM demand growing to 1.2 million tyres per month, the Company's India Operations, which has always worked in close collaboration with its OE partners, expanded and intensified its OE presence in FY11. Apollo now dominates the OEM business with presence in more than 34 leading car models like Volkswagen Polo, Mahindra Scorpio and Xylo, Maruti Suzuki SX4 and Fiat Linea.

Exports out of India Operations to the larger Zone I continued as well. Apollo retained its position of being the largest exporter of passenger vehicle tyres from India; and despite a demand slump, passenger vehicle exports registered marginal growth. The truck-bus cross ply tyres were challenged by degrowth compared to the previous fiscal, but exploration of fresh markets continued, with Bangladesh being the newest entrant in the list of long term export destinations.

The retread business of Duratreads grew by 53% with the release of new low weight patterns. Plans are underway to launch a complete radial retread range in the near future.

Truck-bus radial sales grew by 135%, albeit from a low base. This is expected to be further bolstered by the presence of Apollo Endurace. The Company lost cross ply market share close to 3% across replacement and OEM, due to the prolonged strike at one of its plants in Kerala. To reinvigorate position in the market, the Company announced the 2nd edition of the Apollo CV Awards, the first-of-its-kind Awards for the commercial vehicle industry and its customers, that seek to recognise and honour the champions and stalwarts of the industry – vehicles, people and organisations which established new benchmarks in not just product performance and service, but who also created value for the industry as a whole. Earlier in the year, the Company also participated in the International Mining and Machinery Exhibition to connect with its off-highway customers.

In order to encourage safe driving and correct tyre maintenance practices amongst its passenger vehicle customers, the Company carried out Safe Drive workshops across multiple locations, including large Corporates, petrol pumps and parking lots. On the lifestyle front, Apollo Tyres continued to run the Apollo Highway On My Plate show on NDTV Good Times Channel. A hugely popular street-food show, which has enabled the Company to connect with a growing segment of customers who enjoy road travel and are open to new thoughts and experiences.

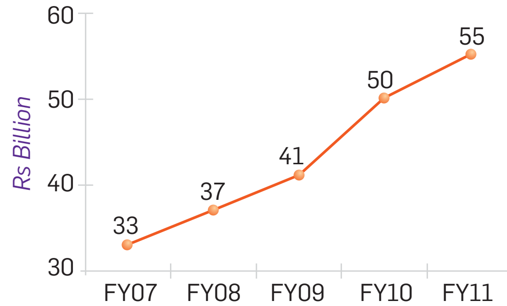
However, the most significant product milestone, for the year under consideration, was the launch of brand Apollo in Europe at Reifen 2010 in Essen, Germany; arguably the world's largest tyre exposition. Apollo branded tyres – Amazer 3G Maxx, Acelere, Aspire and the 4x4 range of Hawkz in summer tyres and, Acelere Winter and Hawkz Winter in winter tyres – were made available to customers in select European countries including Germany, Italy, the Netherlands and the United Kingdom, at a uniform price point. Apollo also tied-up with retail chain Kwik-Fit to sell the Apollo brand of tyres through the 180 Kwik-Fit car service centres across The Netherlands. Kwik-Fit, which is the largest independent automotive parts, repair and replacement specialists in Europe and one of the largest in the world, will sell the entire summer and winter range of passenger vehicle and 4x4 tyres from Apollo.

Investments in R&D continued and the Company further nurtured its collaborations with premium technical institutes, testing centres and raw material suppliers. Various projects have been initiated to tap into the latest technology and research trend. These include reduction of cycle time in all operations, optimisation of components in the tyres, and standardisation of materials and processes. New technological approaches and computing capabilities have also been tried to improve productivity and quality in manufacturing processes like mixing, extrusion, calendaring, building and curing. While some projects are underway to understand the possibility of using more of synthetic rubber and eco-friendly raw materials for manufacturing.

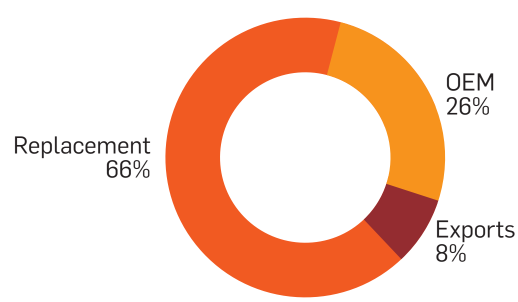
Two top-rung German magazines of immense repute – ADAC and Auto Bild – on tyre testing, gave high billing to Apollo's Amazer 3G Maxx and Acelere tyres in their recent tests conducted with brands available in the German market. The high ranking and superior performance on wet, dry and braking tests came as a testimony to the technological superiority of the products on offer.

Apollo India

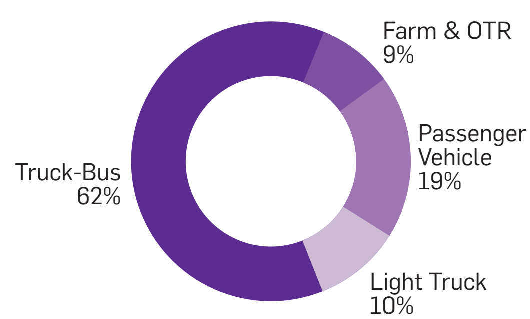
Topline Growth



Revenue Segmentation by Customer



Revenue Segmentation by Product



Apollo Vredestein BV has registered an impressive topline growth of 14% over FY10. Apollo Vredestein continues to be largely a replacement market brand in Europe with the category contributing as much as 87% of the total revenue, whilst original equipment manufacturers accounted for the remaining 13%. Passenger car tyre segment constituted 90% and agriculture tyres 8% of total revenue. Even though, the journey to increase capacity in passenger car tyres from 5.5 to 6.4 million tyres a year began, there were lost sales opportunities due to production capacity constraints.

Riding on a strong demand from the replacement market, the Company in addition to opening 3 Vredestein Design stores – multi-brand outlets – in Belgium and Germany, also expanded its highly popular Quatrac 3 range of passenger vehicle tyres by introducing the revolutionary Quatrac Lite. Amongst the first few green all season tyres, Quatrac Lite, meets all the environmental regulations due to be implemented across the European Union in 2012 and is focused on fuel efficiency. At the same time, the new Quatrac Lite meets the premium quality and safety standards for which Apollo Vredestein is acknowledged.

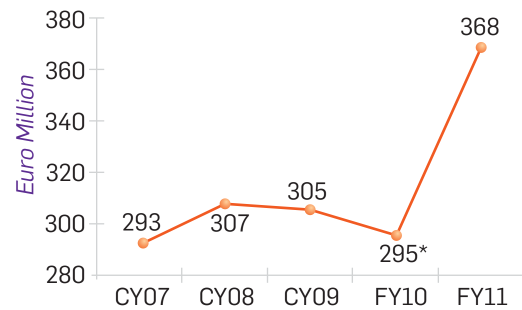
Apollo Vredestein launched its largest ever mega billboard campaign to coincide with the opening of the Geneva Autosalon in March 2011. The billboards which featured the Vredestein Sportrac 3 – in an attempt to communicate to customers that Apollo Vredestein is not just a winter tyre specialist but also manufactures world-class summer tyres – were on view in 37 major European cities, stationed across prime locations with heavy traffic. While the participation in tyre and auto shows allowed Apollo Vredestein to interact with its key OE partners, suppliers and auto aficionados, promotional campaigns enabled it to create awareness amongst its customers in a refreshing and clutter-free fashion.

Keeping up with its innovative marketing practices, Apollo Vredestein also devised a strategic brand promotion called Premium Styling By Vredestein – a new concept focused on the Company's ultra high performance tyres. It is designed to attract the attention of car tuning and styling firms, who improve the performance and appearance of exclusive cars. Thus far, the Company has partnered with Carlsson and Arden Automobilbau GmbH, both recognised luxury car styling boutiques.

On the R&D front continuous efforts were made to enhance product safety and performance. An endorsement for the same was Vredestein Sportrac 3 securing the pole position in the most prestigious summer tyre test in Europe, which was carried out in collaboration between ADAC, ÖAMTC and TCS, the German, Austrian and Swiss automotive clubs respectively.

Apollo Europe

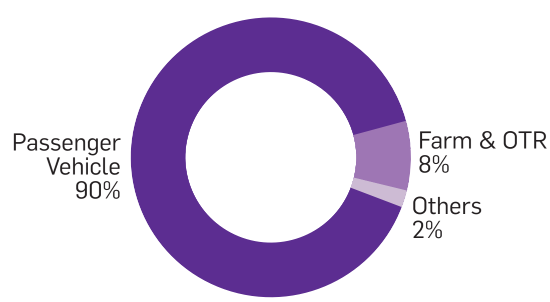
Topline Growth



*Financials prepared for the period May 15, 2009 to March 31, 2010

Revenue Segmentation by Customer

Revenue Segmentation by Product



A look at the revenue from various product segments, of Apollo Tyres South Africa, reveals that truck-bus and passenger vehicle contributed to more than 69% of the revenue, even as revenue from the passenger vehicle category declined marginally as compared to last fiscal – primarily due to a production loss in Q1 FY11.

Apollo Tyres South Africa operates in a market which is increasingly being dominated by imports. Being a leading player in the market, the organisation continued releasing newer high-performing products and campaigns which aimed at ensuring customer delight and enabled it to retain its market share in a highly competitive environment.

New products launched included 5 new sizes in the light truck range – SP 560 , Regal RST 300 and MST 300. On the consumer communication front, Apollo Tyres South Africa took forward its Driven By Precision position for brand Dunlop, by launching a new advertisement campaign. The new communication positioned the Dunlop Zones – exclusive Dunlop branded retail outlets – as the ultimate destination for a premium tyre fitment experience and outstanding service from committed professionals and experts.

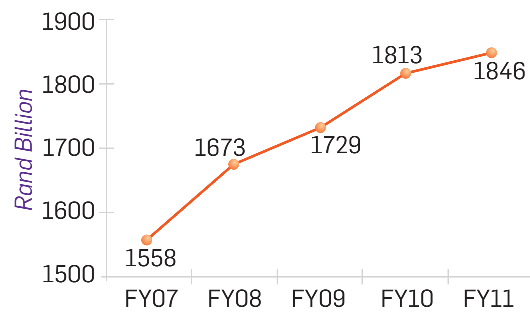
Apollo Tyres South Africa's products were also seen out and about at the acclaimed Gauteng Motor Show, which attracts thousands of automotive fans and focuses on high-performing passenger vehicle, 4x4, truck, motorbike tyres and accessories. Meanwhile, Apollo Tyres South Africa illustrated the lifestyle side of brand Dunlop by continuing its sponsorship of the Surf Ski World Cup. This international sporting gala is a perfect fit for the dynamic performance-centric Dunlop brand.

The Company's constant endeavours to ensure that only world-class products and services are made available to its customers, resulted in Brand Dunlop – sold in 32 African countries – emerging as the #1 brand in the tyre category, in a survey commissioned by Rapport and City Press newspapers on South Africa's iconic brands in FY11. This was an independent survey measuring the usage of more than 8,000 brands under 19 different the product categories by South African consumers. Additionally, Apollo Tyres South Africa was voted Tyre Manufacturer of the Year by the Tyre Dealers and Fitters Association. This is an annual award based on various criteria including, amongst others, product quality, delivery and price. A much coveted award as it comes from the tyre community.

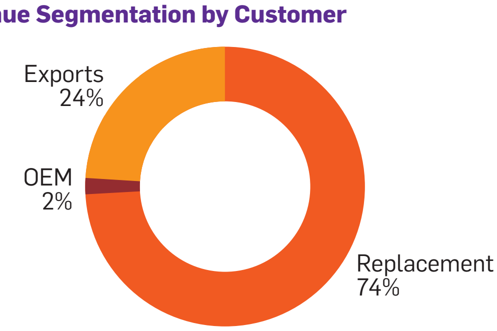
The Company's R&D efforts were targeted towards expanding its light truck radial tyre range. Finite Element Analysis was successfully deployed by Apollo Tyres South Africa's truck-bus radial development team to derive an optimised footprint and design for its highway steer products. In view of EU legislations and OE demand for low-rolling resistant tyres, development work also commenced on newer versions of silica tread compounds, using best practices as applied in Apollo Vredestein, and leveraging on the work done by Apollo's R&D centres in The Netherlands and India.

Apollo South Africa

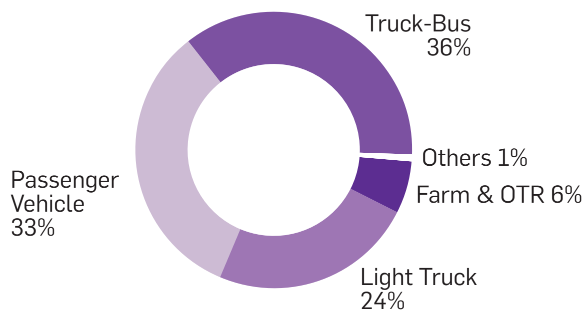
Topline Growth



Revenue Segmentation by Customer



Revenue Segmentation by Product



OUTLOOK

In India, with raw material prices continuing their northward trend, a continued cost push on this front poses the biggest concern for the near future. Natural rubber is expected to remain at a level upward of Rs 220 per kg for the better half of FY12. The cap on the import duty at Rs 20 per kg or 20%, whichever is lower, which became effective from April 1, 2011, might provide some relief to the Industry. Simultaneously crude oil prices are also expected to move northwards in the wake of protests and uncertainty in the Middle East.

To combat the impact of increasing raw material prices, significant price hikes are needed which may not be easy to implement due to multiple factors including a potential slowdown in demand. A significant price increase of 20%+ has already taken place in the last 15 months, making it difficult for the market to absorb more.

However, demand in OEM segment, across categories, is expected to remain strong in the near future, with an expected boost in the truck-bus tyre replacement market after observing a comparatively slow 2nd half of FY11. The passenger vehicle tyre replacement market is expected to grow at a significantly high rate, much like it did in FY11. The truck-bus radial market is also predicted to grow in the near future, thus putting Apollo Tyres in an advantageous position vis-à-vis competition. Though rising interest costs and inflationary pressures may prove to be a challenge for the scenarios mentioned above.

Most leading banks and economic forecasts predict a slow but steady economic recovery in Europe. However inflation remains a concern on the back of high prices of crude oil and other basic commodities. Though austerity measures announced by many European countries, including Pension Reforms, will yield results in the long term, some early success in terms of positive trend on controlling deficits will boost the confidence of the financial market and supplement an economic revival.

Outlook for Apollo Vredestein BV is largely positive. Demand from replacement car tyre segments continue to be strong. Tyre dealers are already in discussion with manufacturers to secure supplies of winter tyres for the FY12 winter season. All tyre manufacturers had been forced to increase prices towards the end of FY11. Similar price hikes are not being ruled out in the course of FY12, if raw material costs continue to remain at, or above, prevailing levels.

As mentioned earlier, environmental regulations are expected to be rolled out across the European Union in 2012. To ensure compliance to the same, the Company has established a Certification Cell which will take care of all matters related to homologations, e-marking and environmental labelling of tyres.

For Apollo Tyres South Africa, capacity enhancement at both its Ladysmith and Durban plants are on track. The Company is also in the process of upgrading its product portfolio, in conjunction with Apollo's R&D facilities in both the Netherlands and India, to ensure the highest quality products in its domestic market and the ever increasing export destinations.

RISKS AND CONCERNS

1. Increasing raw material prices

a. Natural rubber is an agricultural commodity and subject to price volatility and production concerns.

b. Most other raw material are crude-linked and are affected by the movement in crude prices.

c. Both natural rubber and crude prices are controlled by external environment – little can be done to control the raw material price movement internally.

d. Commodity hedging has its own risks and concerns.

2. Ability to pass on increased costs

a. Demand-supply situation has to remain in favour of the industry to enable it to take price increases.

i. In India however, this is further impacted by competitive activities and a general reluctance to undertake quick and large price corrections.

ii. In South Africa, though the pricing discipline is better compared to India, imports have a significant market share across categories, making it difficult to deploy price hikes; especially as the imported brands are gaining a stable customer base in the country.

3. Continued economic growth

a. Demand in the tyre industry is dependent on the economic growth and/or infrastructure development. Any slow down in the economy, will impact the tyre industry, particularly in India.

b. The South African economy has continued to remain sluggish and though expected to recover, may not grow at the expected pace.

c. In Europe, the Company's dependence on winter tyre sales, which is subject to seasonal requirements, can be a cause for concern in the future.

4. Radialisation levels in India

a. Slower increase in radialisation levels in the truck-bus tyre segment, than what was expected, may impact India Operations – excess capacity may result in competitive pressures and decline in profits.

b. At the same time an unexpected quick high in the level of radialisation can result in redundancy of cross ply capacities and create a critical need for fresh investments.

5. Manpower retention

a. Retaining skilled personnel may become increasingly difficult due to entry of international tyre majors like Michelin in India.

b. In South Africa, there is a shortage of skilled personnel which may make it difficult to attract and retain key management and operational staff.

6. Currency volatility in South Africa will continue to impact the competitiveness of the domestic industry vis-à-vis imports.

7. Lower level of profitability due to some of the above factors impacts the ability to invest in growth.

INTERNAL CONTROL & SYSTEMS

During the year, Apollo Tyres made constructive and practical process changes at its facilities without allowing dilution of internal controls, which have helped in cost reduction and/or improvement in productivity. Critical best practices have also been implemented across geographies.

Information Technology as a business tool continues to play a large role. A major highlight has been the automation at Apollo's Chennai facility, including SAP deployment for backend operations of the unit, bar coded tyres for tracking and traceability, robotics to support material movement, integration of shop floor machinery with IT systems to avoid manual entries and error proofing, alongside other effective control and quality systems.

At Apollo Tyres, a robust risk management system has also been put in place with periodic reviews to ensure timely action.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956, and applicable accounting standards issued by the Institute of Chartered Accountants of India. The management of Apollo Tyres Ltd., accepts the integrity and objectivity of these financial statements as well as the various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements are reflected in a true and fair manner, and also reasonably present the Company's state of affairs and profit for the year.

Rs Million

Sl. No.	Particulars	Year Ended 31.03.2011 Standalone	Year Ended 31.03.2010 Standalone	Year Ended 31.03.2011 Consolidated	Year Ended 31.03.2010 Consolidated
1	Gross Sales / Income from Operations	60,010	54,257	93,782	85,098
2	Other Income (Including exception items)	267	112	263	1,088
	Total	60,277	54,369	94,045	86,186
3	Total Expenditure				
	(Increase) / Decrease in Work in Process & Finished Goods	(3,747)	(227)	(4,737)	2,181
	b) Consumption of Raw Materials	40,696	30,450	52,948	39,340
	c) Staff Cost	3,068	2,895	11,553	10,885
	d) Excise Duty	5,105	3,891	5,105	3,891
	e) Other Expenses	9,553	9,410	19,133	17,053
	Total	54,675	46,419	84,002	73,350
4	Operating Profit	5,602	7,950	10,043	12,836
5	Interest	1,493	740	1,852	1,154
6	Depreciation	1,474	1,228	2,720	2,542
7	Profit before Tax	2,635	5,982	5,471	9,140
8	Provision for Tax - Current	533	1,418	783	2,183
	- Deferred	436	414	596	423
	- MAT Credit	(316)	-	(316)	-
9	Share of Loss in Associates/Minority Interest	-	-	6	-
10	Net Profit	1,982	4,150	4,402	6,534

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Human Resource at Apollo is guided by its vision to be a strategic partner to the business and create value for the organisation by developing human capital.

Programmes geared to nurture global leaders like the Enhanced and Advanced Leadership Development continued to enrol a larger number of promising employees, giving them exposure and learning opportunities in some of the best institutes in the world. The Enhanced Leadership Programme went cross-geography this year, with participants from Apollo India, Apollo South Africa and Apollo Vredestein. In the area of manufacturing expertise, Apollo India launched its programme on manufacturing excellence with NITIE, while Apollo Vredestein concentrated its programmes on Operator Training – with each operator on the shop floor mandatorily going through a 3 to 5 year programme.

Apollo Vredestein has been also chosen as the Best Business Education Employer in the Twente region of the Netherlands. The award was in recognition of the integrated education policy of the Company. Apollo South Africa continued with its Care and Growth Leadership Development process, by which practical skills around people management for day-to-day requirements are taught.

Apollo's Six Sigma journey launched in the year 2005 in India was extended to Apollo Vredestein over the course of FY11. A batch of Black, Green and Orange Belt were trained.

Recognition programmes like Roll of Honour were held in India and South Africa. Long Service Employees were also recognised and rewarded by South Africa.

The Performance And Career Enhancement (PACE) module and online software has been redeveloped to suit the organisation's global growth needs, and operations have been moved to SAP to enable a uniform approach to performance management.

This year both India and South Africa hired a fresh batch of Graduate Engineer Trainees (GET) from various leading engineering colleges. As is the norm, the GETs will undergo a year-long training programme to expose them to the various facets of tyre development, post which they are assigned to their department of choice.

Chennai, Apollo's newest plant produced its millionth passenger vehicle tyre and is well on its way to becoming a leading top-notch facility. With the leanest structure of four levels, the plant is setting a benchmark trend in aspects of culture, transparency, empowerment, quicker decision making and of course automation. The Chennai plant ushers in a new era in manufacturing at Apollo Tyres.

The Perambra plant was in a lock-out for part of the 1^{st} & 2^{nd} quarters of FY11. However, after successful settlements with the Union, the plant has resumed smooth and uninterrupted operations. The Kalamassery plant was also successful in signing a proactive settlement with the Unions. The total unionised strength of both plants is around 3000. This year, Apollo South Africa also concluded its 2010 wage negotiations early in the year, but unfortunately not without a lengthy strike. The agreement reached, is valid for 3 years and during this time, the Company will engage with the Unions on various productivity improvement initiatives. Apollo Tyres South Africa has also actively concentrated on improving its previous year's score on the BBBEE Score Card (Broad Based Black Economic Empowerment Act). Apollo Tyres South Africa has now moved up to a Level 6 status in the Codes of Good Practice.

Apollo Vredestein has 3 employee Unions, management holds 2 meetings every year with Union representatives to brief them about the operational performance of the Company and future plans. Wage negotiations take place once a year. The Company has a Works Council, which is involved in the operations and plans. There are meetings between Management and Works Council on different business topics. The relationships between Management, Unions and Works Council have been constructive and cordial.

Apollo Tyres continued to take forward its initiative related to social responsibility through the Apollo Tyres Foundation. Apollo's corporate social responsibility strategy focuses on combining corporate goals with development goals – to enable inclusive growth by building on key partnerships and linkages to optimise the existing resources in reaching out to more people.

In India, social responsibility initiatives are geared at spreading awareness and prevention of HIV-AIDS amongst customers, employees and business partners. To this end the Company is running 16 Health Care Centres for its key customers – the commercial vehicle community – in some of the country's largest transhipment hubs. The Centres are manned by a doctor, requisite paramedic staff and also have a large network of peer educators. Apart from addressing the issue of HIV-AIDS, the Centres also treat sexually transmitted infections. For its employees, apart from instituting a HIV-AIDS policy, the Company holds regular sensitisation sessions, which are typically conducted by Master Trainers – employees who have received formal training – across various locations. The Master

Trainers also conduct similar sessions for the Company's business partners as well.

For the communities in the vicinity of Apollo's manufacturing locations, regular health camps are organised for the local population. These camps address basic health conditions like blood pressure, tuberculosis, eye infections. Awareness generation and providing periodic updates on seasonal infections like influenza and other viral illnesses like chikungunya, H1N1 flu and dengue, also formed a part of it.

Apollo Tyres in India, under its umbrella environment programme HabitAt Apollo, apart from undertaking a paper recycling initiative, is also exploring possibilities of energy and water conservation which compliment the work already underway at the manufacturing locations.

Across all geographies, there has been a conscious drive to shift towards eco-friendly raw materials and minimise wastage, and encourage recycling of materials.

In South Africa, the Company has partnered with schools in the vicinity of its manufacturing facilities in KwaZulu-Natal; these partnerships aim to improve the quality of education for children and thus, impact society at large. The initiatives include installation of computer centres and libraries at schools which focus on academic excellence and overall development of the pupil. Under the Apollo Empowerment Programme, financial assistance is provided to meritorious disenfranchised students, along with vocational opportunities. The Company, in partnership with the Mayor's Office, is also a key sponsor of a pre-school in Ladysmith. Apollo Tyres South Africa's association with the Inkanyezi School for the Disabled – where the Company assists the upgradation of infrastructure and helps find employment for its pupil – has gained further momentum, with the School now being contracted to help with repair of various manufacturing materials.

Apollo Vredestein BV, supports on a structural basis 10 jobs, requiring work experience, for individuals with relatively less employability. This initiative provides individuals, from the neighbourhood around the manufacturing unit, an opportunity to gain work experience for one year, which significantly improves their future employment prospects. Apollo Vredestein has also successfully passed the re-certification for the Environmental Assurance System ISO 14001.

NOTE

This report contains forward-looking statements that describe our objectives, plans and goals. All statements that express expectations and projections about the future, including but not limited to, statements about the Company's strategy for growth, product development, market position, expenditure and financial results, are forward looking statements. These are subject to, certain risks and uncertainties, including but not limited to, governmental action, local economic or political development, technological risks, risks inherent in the Company's growth strategy, dependence on certain customers, technical personnel and other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Investors should bear this in mind when considering the above statements.

FINANCIALS

apollo

DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting the Annual Report along with the audited statement of accounts of your Company for the financial year ended March 31, 2011.

FINANCIAL PERFORMANCE

Rs Million

	Year Ended		**Year Ended**	
	31.03.2011	**31.03.2010**	**31.03.2011**	**31.03.2010**
	Standalone		Consolidated	
Net Sales	54,905	50,366	88,677	81,207
Other Income	267	112	263	214
Operating Profit (EBIDTA)	5,603	7,949	10,042	11,963
Less: Depreciation	1,474	1,228	2,719	2,542
Interest	1,493	739	1,852	1,154
Provision for Tax	653	1,832	1,063	2,607
Net profit before Exceptional Items	1,983	4,150	4,408	5,660
Add: Exceptional Items	–	–	–	874
Less: Share of loss of associates/ minority interest	–	–	6	–
Net Profit	**1,983**	**4,150**	**4,402**	**6,534**

OPERATIONS

On a standalone basis, your Company registered a net turnover of Rs 54,905 million as against Rs 50,366 million during the previous financial year, a growth of 9%. The Company registered EBIDTA of Rs 5,603 million as compared to Rs 7,949 million during the previous financial year. The net profit for the year under review was Rs 1,983 million, as against Rs 4,150 million in the previous fiscal. The steep hike in raw material prices coupled with production loss, due to labour problems, at one of the units had an adverse impact on the profitability of the Company.

The consolidated net turnover of the Company as a group has increased to Rs 88,677 million during FY 2010-11 as compared to Rs 81,207 million during the previous financial year, registering a growth of 9.2 %. The consolidated EBIDTA was Rs 10,042 million for FY 2010-11 as compared to Rs 11,963 million for the previous financial year. On consolidated basis, the Company earned net profit of Rs 4,402 million for FY 2010-11 as against Rs 6,534 million for the previous financial year.

The amount available for appropriations, including surplus from previous year amounted to Rs 7,874 million. Surplus of Rs 6,469 million has been carried forward to the balance sheet after providing for dividend of Rs 252 million, dividend tax of Rs 41 million, debenture redemption reserve of Rs 112 million and general reserve of Rs 1,000 million.

Your Company sustained its leadership position in the Indian tyre industry despite challenging market conditions and production loss caused due to labour problem, at the Perambra unit in India, due to lock out from June 11, 2010 to August 21, 2010. In May 2010 there was also a 2-week strike at the ports in South Africa, affecting the supply of raw materials to the Durban and Ladysmith facilities. In September 2010 your Company's South Africa Operations were again brought to a standstill by an industry-wide labour strike, which was resolved after prolonged negotiations.

PRODUCTION

During the year under review, your Company's production has shown a consolidated growth of 2.8%, in production tonnage, by generating an output of 438,524 metric tonnes (MT) as against 426,641 MT in the previous year.

RAW MATERIALS

During the year under review, raw material dynamics in the tyre industry have undergone a significant change, primarily from the perspective of key raw material prices, which have risen beyond expectations. Robust demand from China and India, along with resurgence of output in the industrialised countries, saw prices of natural rubber peaking to US$ 6/kg in the international market. The supply of natural rubber was also adversely impacted in the year due to climatic conditions in rubber growing regions. The domestic rubber prices reached an all time high of Rs 241/kg during the year, registering an increase of almost 70% over the prices in the last fiscal.

Crude oil prices also crossed the US$ 100/barrel level on geo-political factors and strong demand growth from major economies across the globe. Crude based items, namely, synthetic rubber, nylon tyre cord fabric, polyester fabric, carbon black and rubber chemicals also showed a rising trend during the course of the year. Moreover, anti-dumping duty on nylon tyre cord fabric, carbon black and rubber chemicals continued.

Considering that the global GDP is projected to grow at 4% in 2011-12, fuelling the demand for commodities and base metals, prices of major commodities such as natural rubber, crude oil and steel are likely to remain bullish.

Despite a challenging environment with respect to raw materials, your Company strives to remain globally and regionally attractive to customers and investors by continuing to focus on working capital management, alternative energy source development, new vendor development and nurturing existing relationships with business partners. These strategic initiatives are expected to fuel your Company's growth across geographies.

DIVIDEND

The Directors are pleased to recommend a dividend of Re 0.50 (50%) per share on Equity Share Capital of the Company for the FY 2010-11 for your approval. There will be no tax deduction at source on dividend payments, but your Company will have to bear tax on dividend @ 16.22%, inclusive of surcharge.

The dividend, if approved, shall be payable to the Shareholders registered in the books of the Company and to the beneficial owners as per details furnished by the depositories, determined with reference to the book closure from July 28, 2011 to August 11, 2011 (both days inclusive).

MARKETING

FY 2010-11 was a landmark year for Apollo Tyres Ltd. For starters, your Company introduced its flagship Apollo brand in the European market at, what is arguably the world's largest tyre exposition, Reifen in Essen, Germany. Later in the year, coinciding with the opening of the International Geneva Motor Show or Salon International de l'Auto, Apollo launched its biggest ever mega billboard campaign for brand Vredestein. During March 2011, the billboards were on view in 37 major European cities – placed in prime high traffic locations.

In India, Apollo launched a high-voltage passenger car radial advertising campaign titled "Road Is A Friend", which was aided by an aggressive consumer promotion scheme called "Exchange For A Tubeless Future" to promote the use of tubeless PCR tyres. However, the focus was on below-the-line promotional activities, with individual and fleet customers, through initiatives like Apollo ET ZigWheels Awards for recognising excellence amongst automakers and Apollo Safe Drive which promotes safe driving and tyre maintenance.

Brand Dunlop, sold in 32 African countries, emerged as the # 1 brand in the tyre category, in a survey commissioned by Rapport and City Press newspapers on South Africa's iconic brands. This was an independent survey measuring the usage of more than 8,000 brands under 19 different product categories by South African consumers. The South Africa Operations took forward their Driven By Precision position for brand Dunlop, by launching a new advertisement campaign. The new communication positions the Dunlop Zones – exclusive retail outlets – as the ultimate destination for a premium tyre fitment experience and outstanding service from committed professionals and experts.

EXPORTS

Exports of passenger car radials, despite a demand slump, grew marginally over the previous year's sales volumes. Your Company continues to be the largest exporter of passenger car radials from India with a share of over 75% vis-à-vis exports by domestic industry. Truck-bus cross ply sales volumes fared as per expectations; though price undercutting by competition and increasing preference for radial tyres posed to be a challenge. The year also witnessed the successful pilot launch of Apollo's truck-bus radial tyres in select markets of Asia, Africa and the Middle East – this category shows tremendous potential for growth in the coming years.

Apollo's European Operations largely focus on the domestic replacement market and there is not much by way of exports. On the other hand, your Company's South African Operations saw a healthy growth in exports with almost 23.7% of the current financial year's revenue coming from this segment, compared to 17.5% in the previous year.

EXPANSION PROGRAMME AND FUTURE OUTLOOK

The greenfield project of the Company in Chennai, is progressing as per schedule. At present the facility is producing 7,500 passenger car radial (PCR) tyres and 2,000 truck-bus radial (TBR) tyres per day. It would reach its planned capacity of 16,000 PCR tyres per day and 6,000 TBR tyres per day by the last quarter of the current financial year. The unit is supplying to major OEMs like Hyundai, Tata Motors, Ashok Leyland and Mahindra, all of whom have reviewed the product performance favourably. Supplies to other major OEMs' like Ford, Nissan and Maruti Suzuki is expected to commence shortly.

During the year, the cross ply light truck tyre production was enhanced by 1000 tyres per day to its current 2030 tyres per day, at the Perambra facility. Similarly, an increase in production was also undertaken at the Limda unit – 1581 to 2151 tyres per day for light truck cross ply and 351 to 651 tyres per day for rear tractor cross ply; resulting in the total tonnage production going up by approximately 36 MT/day. On the radial front, the PCR and light truck radial (LTR) production at the Limda facility was upped to around 18,000 tyres per day and 2,000 tyres per day, respectively, taking the total radial tonnage production at the said facility to approximately 165 MT/day.

The Company's units in South Africa are in the process of further production building – from 10,000 PCR tyres per day to 13,000 PCR tyres per day at Ladysmith and from 1000 TBR tyres per day to 1200 TBR tyres per day at Durban. The said production increase and modernisation and quality improvement project includes installation of a new calender line, fischer cutter, triplex extruder, bead apexing and high speed PCR tyre building machines. The total cost of such an expansion in South Africa would be around Rand 275 million (equivalent to Rs 1820 million) and the same is expected to be completed by September 2011. However, the total production increase would be realised only by the last quarter of the current financial year.

The European Operations expanded PCR capacity from 5.2 million to 6.4 million tyres per annum, with an investment of €6 million (equivalent to Rs 380 million). The increased capacity is already under utilisation since the last quarter of the year, allowing the Company to sell higher volumes in the European market.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

SUBSIDIARY COMPANIES

As on March 31, 2011, your Company had 35 subsidiaries including indirect subsidiaries. During the year, the following changes have taken place in subsidiary companies:

During the year under review, Apollo (Mauritius) Holdings Pvt. Ltd, your Company's subsidiary has incorporated Apollo Tyres Holdings (Singapore) Pte. Ltd w.e.f. September 8, 2010 and Apollo Tyres (Middle East) FZE w.e.f. January 2, 2011 as its wholly owned subsidiaries.

The main activity of the Middle East Company will be warehousing and trading of tyres manufactured at various locations in India, South Africa and the Netherlands to cater to customers in Middle Eastern and African countries.

Apollo Tyres Holdings (Singapore) Pte. Ltd acquired 95% shareholding in K P Construction and Forestry Development Co. Ltd (name being changed to Apollo Tyres (Lao) Company Ltd) w.e.f. February 15, 2011 which would be engaged in business of natural rubber plantations.

Vredestein Kft your Company's step subsidiary in Hungary through Apollo Vredestein B V formed a wholly owned subsidiary of Vredestein Ro SRL w.e.f. August 18, 2010.

Apollo Tyres (Pte) Ltd ceased to be the subsidiary Company of Apollo (Mauritius) Holdings Pvt. Ltd w.e.f. June 4, 2010.

The Ministry of Corporate Affairs vide its letter No: 5/12/2007-CL-III dated February 8, 2011, has granted a general exemption to the companies under section 212(8) of the Companies Act, 1956 from attaching a copy of the balance sheet and the profit and loss account of the subsidiary companies, and other documents, to the Annual Report of the companies, subject to fulfilment of certain conditions specified in the aforesaid circular.

The annual accounts of the subsidiary companies will be made available to Shareholders on request and will also be kept for inspection by any Shareholder at the Registered Office and Corporate Headquarters of your Company, and its subsidiaries.

The consolidated financial statements presented by the Company include the financial statements of each of its subsidiaries. As required, pursuant to the provisions of Section 212 of the Act, a statement of the holding Company's interest in the subsidiary companies forms part of the Annual Report.

In view of the ongoing economic uncertainty in Zimbabwe and the long term restriction on financial repatriation, the accounts of Zimbabwe based entities have not been consolidated under Accounting Standard (AS 21) 'Consolidated Financial Statements'. Please refer to note 3 (c) of schedule 12 of the consolidated accounts.

FIXED DEPOSITS

Your Company is not accepting fixed deposits from the public / Shareholders.

In respect of deposits accepted earlier, cheques had been issued for the principal amount and interest thereon amounting to Rs 1.31 million, which remained unencashed as on March 31, 2011.

AUDITORS

M/s Deloitte Haskins & Sells, Chennai, Chartered Accountants, Statutory Auditors of your Company, will retire at the conclusion of the ensuing Annual General Meeting and be eligible to offer themselves for reappointment as Statutory Auditors for FY 2011-12.

AUDITORS' REPORT

The comments on the statement of accounts referred to in the report of the auditors are self explanatory.

COST AUDIT

M/s N P Gopalakrishnan & Co., cost accountants, have been appointed as cost auditors to conduct an audit of the Company's cost records, for the year ended March 31, 2011, with the approval of the Central Government. They will submit their report to the Board of Directors, before forwarding it to the Ministry of Corporate Affairs, Government of India.

BOARD OF DIRECTORS

The Government of Kerala nominated Dr A K Dubey in place of P Prabakaran on the Board of the Company w.e.f. March 26, 2011. Mr Mike J Hankinson resigned from the Directorship of the Company w.e.f. April 2, 2011. The Board places on record its appreciation for the contribution made by Mr Mike J Hankinson during his tenure of Directorship.

Mr Shardul S Shroff has been appointed as an additional director of the company w.e.f. May 11, 2011. He holds office till the date of the ensuing Annual General Meeting. The Company has received requisite notice together with deposit, as provided under Section 257 of the Companies Act, 1956, from a Shareholder proposing the appointment of Mr Shardul S Shroff as a director liable to retire by rotation.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr T Balakrishnan, Mr Robert Steinmetz and Mr A K Purwar, Directors of the Company, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

None of the Directors are disqualified under Section 274(1)(g) of the Companies Act, 1956.

AWARDS AND RECOGNITIONS

In its constant quest for growth and achievement, your Company was honoured and recognised at various forums. The prominent Awards are listed below for your reference.

Name of the Award	Category	Awarded By
Top Company of the Year Award	Tyre Sector	Dun & Bradstreet – Rolta Corporate Awards 2010
Safety Award 2010 for Perambra Unit	Large Factories	Department of Factories and Boilers, Government of Kerala
Gold Certificate of Merit for Limda Unit	Process Sector, Large Category	The Economic Times Indian Manufacturing Excellence Awards 2010 in Partnership with Frost and Sullivan
Best Innovative Practices	Innovation	Today's Travellers Awards 2010

CORPORATE SOCIAL RESPONSIBILITY

Your Company is a responsible corporate citizen, and strives to create value for the communities it operates in. A detailed report on the Company's community efforts form part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, are given in Annexure A, forming part of this Report.

CORPORATE GOVERNANCE REPORT

An organisation's Corporate Governance philosophy is directly linked to its excellence in performance. Keeping this important dictum in view, your Company has always placed major thrust on managing its affairs with diligence, transparency, responsibility and accountability.

The Company is committed to adopting and adhering to established world-class corporate governance practices. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large, and strives to serve their interests, resulting in creation of value and wealth for all stakeholders.

The compliance report on corporate governance and a certificate from M/s Deloitte Haskins & Sells, Chennai, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached herewith as Annexure B to this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in Annexure C to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

i) In preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards have been followed and there has been no material departure;
ii) The selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2011, and of the profit of the Company for the year ended as on date;
iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
iv) The annual accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of an organisational culture which upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation to the respective State Governments of Kerala, Gujarat, Haryana and Tamil Nadu, and the National Governments of India, South Africa and the Netherlands. We also thank our customers, business partners, members, bankers and other stakeholders for their continued support during the year. We place on record our appreciation of the contribution made by all employees towards the growth of your Company.

For and on behalf of the Board of Directors

Onkar Kanwar

Place: Gurgaon
Date: May 11, 2011

(Onkar S Kanwar)
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Information under Section 217(1)(e) of the Companies Act,1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended March 31, 2011.

A) CONSERVATION OF ENERGY:

In line with the increasing global focus on the critical need for energy conservation, the Company has undertaken strong measures to keep its power consumption levels under strict control and ensure sustainable energy utilisation. Our specific energy consumption (Giga Joules (GJ) /Ton) is one of the lowest internationally.

(a) Measures taken for conservation of energy:

The Company accords the highest priority to energy conservation and is committed to stringent energy conservation measures, including regular review of energy consumption and effective control on utilisation of energy. The Company had devised its production lines and other facilities keeping in view the objective of minimum energy losses. The following are the major energy conservation measures implemented during the FY 2010-11:

- Replacement of low efficiency pumps with high efficiency pumps.
- Thermal energy reduction achieved by changing the insulation material and also through widespread use of insulation paints in equipment.
- Development of thermally efficient piping system for presses in curing, resulting into reduction of steam consumption by 25% at the Chennai unit and partially in Limda unit. The same system is to be deployed in other units also.
- Waste hot water recovered and used for reducing the consumption of thermal energy.
- Reduction in the usage of compressed air by replacing some of the low pressure requirements to energy efficient blowers.
- Optimisation of utility parameters, like pressure and temperature, for energy reduction.
- Substituted high cost furnace oil used in steam generation with Coal for reducing cost.
- Installed harmonic filters to reduce equipment failure and improve power factor.

(b) Additional investment and proposal for reduction of energy usage:

Our energy reduction efforts will be on going basis as we plan to upgrade many of the low efficiency equipments to higher efficiency and move to energy efficient lighting and usage of natural light where ever possible in the production shop. We have also started the journey of benchmarking manufacturing locations with each other in all geographies. By doing this and transferring the learning from one location to the other, we plan to further bring down the specific energy consumption (KWH/Ton of Production) of all the units. Inter-facility energy audits were conducted by in-house team to identify potential saving opportunities and actions initiated. Online energy monitoring system is being introduced and shall be in use by the end of this year.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in our specific energy consumption (GJ/Ton) being one of the lowest internationally.

(d) **Total energy consumption and energy consumption per unit of production**

FORM A

PARTICULARS	Unit Measure	Total	
		2010-11	2009-10
A. **POWER/FUEL CONSUMPTION**			
1. Electricity			
a. Purchased Units	Million	172.20	138.46
Total Amount	Rs Million	697.34	532.26
Rate Per Unit	Rs	4.05	3.84
b. Own Generation			
i) Total Captive Generation			
- Units	Million	23.30	27.63
- Units/Ltr of Diesel/Furnace oil		4.12	4.01
- Cost/Unit	Rs	7.77	6.37
ii) Through steam turbine/generator			
- Units	Million	34.45	34.84
- Units/Ltr of Diesel/Furnace oil		5.48	5.49
- Cost/Unit	Rs	2.95	3.00
2. Coal			
Quantity	MT	27,613.96	480.00
Total Amount	Rs Million	149.05	1.94
Average Rate	Rs Kg	5.40	4.05
3. Furnace oil/LSHS			
Quantity	K Ltrs	33,525.01	42,887.52
Total Amount	Rs Million	652.36	830.09
Average rate	Rs	19.46	19.36
4. Other/internal generation		-	-
B. **CONSUMPTION PER UNIT OF PRODUCTION**			
Electricity	KWH/MT	794.11	684.60
Furnace Oil/LSHS	Ltrs/MT	115.77	146.12
Coal & Others	Kg/MT	0.095	0.002

B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per form B

I) Research & Development

(1) Specific areas in which R&D is carried out by the company:

R&D function has spread its wings across geographies, following the expansion path of the organisation, for integration of technology, addressing emerging global legislations and introduction of product in European market. It has made vital contributions in developing and evaluating product and ensured that product met the highest level of global quality standards.

The proactive development in the materials and processing front has resulted in better-cost control in an era of volatile raw material prices. Projects have been initiated for increased use of synthetic rubber by partially replacing natural rubber and use of recycled materials to address environmental concerns. R&D efforts have been able to improve the conversion cost, reduction in waste, better frequency distribution of outgoing product quality and enhancement of production capacities in addition to introduction of several new products in all categories of tyres for the emerging markets.

(2) **Benefits derived as a result of R&D:**

R&D efforts have been reflected in world's leading ADAC (German) Magazine tests where the products of the Company are rated as one of the best performers on dry and wet road surface. This year your Company has introduced

- Amazer 3G passenger vehicle tyre in symmetric and asymmetric versions for low rolling resistance (fuel efficient) with high life.
- winter tyres in Europe and is the first to produce winter tyres in India.
- Endurace brand TBR tyres in India, which have been well accepted by the customers, including the OEMs.

The Company has also completed development of key sizes in tubeless TBR tyres, which are certified by several national certification bodies like ECE (for Europe), INMETRO (for Brazil), GSO (for Middle East), SNI (for Indonesia) and ISI (for India).

(3) **Future Plan of Action:**

The Company has been working closely with premium OEMs for better understanding of their vehicle, application & future challenges for better product design to get optimum value of the product. The OEMs are duly informed about the Apollo product basket and insisted upon to follow "Fit to Application" and proper maintenance and care of the tyres for higher customer satisfaction.

Development of tyres for various off highway application, is being undertaken, considering customer expectations and new vehicles in various geographies. Development schedules are on track for the Global High Performance PCR Range, Global SUV and Aspire 4G tyres for European market. Homologation programme is also on track with EU OEMs for supplies to Europe.

Your Company has geared for its growth journey by upgrading facilities, adopting various efficiency improvement actions, adding experienced manpower and skill upgradation of existing human resources.

(4) **Expenditure on R&D:**

		Rs Million
(a)	Capital	29.53
(b)	Deferred revenue expenditure	-
(c)	Revenue	291.05
(d)	Total	320.58
(e)	Total R&D expenditure as a % of turn over	0.58%

II) Technology absorption, adaptation and innovation

(1) **Efforts towards technology absorption, adaptation and innovation:**

Various projects have been initiated to absorb and adapt modern technology. These steps include the reduction of cycle time in all operations, optimisation of components in the tyres, standardisation of materials and process. New technological approaches and computing capabilities have been initiated to improve productivity and quality in mixing, extrusion, calendaring, building and curing.

Several research projects – like fracture of tyre structures and math modelling of ply line of tyres – are underway in collaboration with technical universities worldwide. The outcome from these research programmes is expected to provide deeper understanding on the behaviour of tyre structures on durability, rolling resistance and traction behaviour of tyres. Vehicle-tyre modelling capabilities were developed in-house and validation of the modelling is in progress using external testing agencies. This is expected to have significant impact on development and collaboration with key OEM accounts to meet the demands of OEMs, and, vehicle research institutes to develop vehicles and tyre system based on intended application. These physical simulations and modelling will help not only optimise the rubber compound and tread geometry in combination but, also help manage the technology conflicts and compromises.

(2) **Benefits derived as a result of the above efforts:**

R&D facilitates innovation in the areas of new raw material and compound development, which are required to meet extremely tough and demanding performance norms. This ensures that your Company's product are a success and preferred by cutomers over competition.

In an environment characterised by increased competition, higher customer expectations and quicker replacements, your Company is nurturing partnerships with OEs to provide sustainable competitive advantage through exchange of best practice and benefits of a shared knowledge pool.

During the year, approval has been obtained for the Truck Radial 10.00 R 20 tyres from Tata Motors, Ashok Leyland and Volvo Eicher Commercial Vehicles. The Company's tyres are under testing at Daimler India Commercial Vehicles. In passenger car segment, Company is has 16 OE customers with 65 approvals. The OE customers include world leaders like Volkswagen, Ford, General Motors, Hyundai, Suzuki, Fiat, and Skoda, in addition to the entire Indian OEMs. During the year, the Company has also started supplying products to Ford Figo, Suzuki Wagon R, Eeco, Swift, Ritz, SX4, Tata Manza, Fiat Linea and Punto as original fitment. The Company has also developed 4 agricultural designs in collaboration with the tractor design wing of John Deere, Pune.

(3) Technology imported:

a) No technology was imported during the financial year.
b) Year of Import: Not applicable.
c) Has the technology been fully absorbed?
We are focusing on the development of our own technology through in-house R&D efforts.
d) The present technology is based on our own R&D efforts.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Rs Million
i) Foreign Exchange Earnings:	
- On account of direct-export sales from Apollo Tyres Ltd (FOB value)	4,846.78
- On account of export sales of Fixed Assets	-
ii) Foreign Exchange outgo (other than CIF value of imports)	547.07

Annexure-B

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices in the area of Corporate Governance, your Company has implemented principles of good Corporate Governance in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

A detailed compliance report on the implementation of the Corporate Governance Code by your Company as contained in Clause 49 of the Listing Agreement is furnished below:

1. **Company's philosophy on Corporate Governance**

At Apollo Tyres Ltd. (the Company), Corporate Governance brings direction and control to the affairs of the Company in a fashion that ensures optimum return for stakeholders. Corporate Governance is a broad framework which defines the way Company functions and interacts with its environment. It is compliance with laws and regulations in each of the markets the Company operates in, leading to effective management of the Organisation.

The Company is guided by a key set of values for all its internal and external interactions. These are enshrined in the acronym CREATE which stands for Care for customer, Respect for associates, Excellence through teamwork, Always learning, Trust mutually and Ethical practices.

Simultaneously, in keeping with best practices, your Company seeks to execute the practices of Corporate Governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on the following:

(a) Transparency by classifying and explaining the Company's policies and actions to those towards whom it has responsibilities, including its employees. This implies the maximum possible disclosures without hampering the interests of the Company and those of its Shareholders.

(b) Accountability is a key pillar, where there cannot be a compromise in any aspect of accountability and full responsibility, even as the management pursues profitable growth for the Company.

(c) Professionalism ensures that management teams at all levels are qualified for their positions, have a clear understanding of their roles and are capable of exercising their own judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressures.

(d) Trusteeship brings into focus the fiduciary role of the management to align and direct the actions of the organisation towards creating wealth and Shareholder value in the Company's quest to establish a global network, while abiding with global norms and cultures.

(e) Corporate Social Responsibility ensures the promotion of ethical values and setting up exemplary standards of ethical behaviour in our conduct towards our business partners, colleagues, Shareholders and general public. Through this, the Company also ensures that it contributes to the society's overall welfare by undertaking not-for-profit activities which would benefit all or any of its stakeholders in the society.

(f) Safeguarding integrity ensures independent verification and truthful presentation of the Company's financial position. For this purpose, the Company has also constituted an Audit Committee which pays particular attention to the financial management process.

(g) Continuous focus on training and development of employees and workers to achieve the overall corporate objectives while ensuring employee integration across national boundaries.

Your Company is open, accessible and consistent with its communication. Apollo Tyres Ltd shares a long term perspective and firmly believes that good Corporate Governance practices underscore its drive towards competitive strength and sustained performance. Thus, overall Corporate Governance norms have been institutionalised as an enabling and facilitating business process at the Board, Management and at all operational levels.

2. **Board of Directors**

The Board of Directors is at the core of our corporate governance practices and oversees how the management serves and protects the long – term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

The Directors bring in expertise in the fields of human resource development, strategy, management, legal, finance and economics, among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

(a) **Composition of Board:** The Company has a broad-based Board and meets the 'composition' criteria. As on March 31, 2011 the Company's Board of Directors consist of 13 Executive and Non Executive Directors, including leading professionals in their respective fields. The size and composition of the Board exceeds the requirements of the Clause 49 of the Listing Agreement with the Stock Exchanges.The following is the percentage of Executive and Non Executive Directors of the Company:

Category of Directors	No. of Directors	% of Total No. of Directors
Executive	4	31
Non Executive	9	69
Total	13	100

The constitution of the Board and attendance record of Directors is given below:

Name/Designation of Director	Executive/Non-Executive/ Independent	No. of Positions held in Other Companies		No. of Board Meetings Attended	Attendance at last AGM
		Board#	Committee##		
Mr Onkar S Kanwar Chairman & Managing Director	Promoter-Executive	4	2	4	Yes
Mr Neeraj Kanwar Vice Chairman & Managing Director	Executive	2	3	4	Yes
Dr A K Dubey* Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Independent	6	-	NA	NA
Mr A K Purwar	Non-Executive Independent	9	4	3	Yes
Mr K Jacob Thomas	Non-Executive Independent	3	1	4	Yes
Mr M R B Punja	Non-Executive Independent	6	3	4	Yes
Mr Nimesh N Kampani	Non-Executive Independent	5	3	3	Yes
Mr Robert Steinmetz	Non-Executive Independent	-	-	4	Yes
Mr Sunam Sarkar Chief Financial Officer and Whole Time Director	Executive	-	-	4	Yes
Mr Shardul S Shroff (appointed w.e.f May 11, 2011)	Non-Executive Independent	6	2	NA	NA
Dr S Narayan	Non-Executive Independent	6	1	3	Yes
Mr T Balakrishnan Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Independent	12	1	1	No
Mr U S Oberoi Chief, Corporate Affairs & Whole Time Director	Executive	1	-	4	Yes
Ceased to be Director					
Mr P Prabakaran* Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Independent	7	-	Nil	No
Mr Mike J Hankinson (Resigned w.e.f. April 2, 2011	Non-Executive Independent	-	-	1	Yes

#This includes Directorships held in Public Ltd companies and subsidiaries of Public Ltd companies and excludes Directorships in Private Limited companies and overseas companies.

##For the purpose of committees of Board of Directors, only Audit and Shareholders' Grievance committees in other Public Ltd companies and subsidiaries of Public Ltd companies are considered.

*Government of Kerala has nominated Dr A K Dubey as director of the Company in place of Mr P Prabakaran w.e.f. March 26, 2011.

None of the Directors of your Company is a member of more than 10 committees or is the Chairman of more than five committees across all the companies in which they are Directors.

(b) **Board functioning & procedure:** Apollo Tyres' Board is committed to ensuring good governance through a style of functioning that is self-governing. The members of the Board always have complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussion. They are also free to bring up any matter for discussion at the Board Meetings.

Apollo Tyres' Board meets at least once in every quarter to discuss and review the quarterly results and other items of agenda, including the information required to be placed before the Board, as required under Annexure 1A of Clause 49 of Listing Agreement, and additional meetings are held as and when required. The meeting dates are usually finalized well before the beginning of the year. The Chairman/Vice Chairman of the Board and the Company Secretary discuss the items to be included in the agenda and the detailed agenda, management reports and other explanatory statements are circulated at least seven days ahead of the meeting. Senior management officials are called to provide additional inputs on the matters being discussed by the Board/Committee.

(c) **Relationship amongst Directors:** Mr Neeraj Kanwar, Vice Chairman & Managing Director is son of Mr Onkar S Kanwar, Chairman & Managing Director.

(d) **Profile of the Chairman:**

Mr Onkar S. Kanwar is the chief architect of the Company's vision and plays a pivotal role in guiding the Company's operations and the articulation of its business philosophy. Under his leadership in the 1980s and 90s, Apollo became a professionally-run and competitive Indian tyre manufacturer. Innovation, quality and exclusivity are his guiding principles, which have helped the Company achieve pioneering initiatives.

A former member of the Government of India's National Manufacturing Competitiveness Council and the Kerala Development and Poverty Alleviation Advisory Council. In past he has held the position of President of the Federation of Indian Chambers of Commerce & Industry (FICCI), International Chamber of Commerce (ICC), Automotive Tyre Manufacturers' Association (ATMA), Director, Export Credit Guarantee Corporation of India and of the Kerala State Industrial Corporation. He is also a member of Indian Institute of Information Technology, Design and Manufacturing (IIITD&M), Kancheepuram and Indian Institute of Management, Kozhikode.

A science and administration graduate from the University of California, Mr Kanwar is a widely travelled individual and a keen student of modern management practices and their successful application in business. He devotes a large part of his time to reading.

(e) **Profile of the Vice-Chairman:**

Mr Neeraj Kanwar began his career with Apollo Tyres in 1995 as Manager, Product & Strategic Planning, where he was instrumental in creating the crucial bridge between the two key functions of manufacturing and marketing. In 1998, Mr Neeraj Kanwar became Director and Chief, Manufacturing & Strategic Planning. In this position, he brought in overarching changes in IR management, upgradation of technology, benchmarking on product and efficiency parameters and the extensive use of information technology. In July 2002 he took over as the Chief Operating Officer, when he introduced key changes in HR and IT and in increasing the competitiveness of Apollo products across the board. He was appointed Joint Managing Director in 2006 and elevated to Vice Chairman in 2008 and soon after to Managing Director in 2009 for his initiatives in establishing the Company in the global arena.

A hands-on manager, Mr Neeraj Kanwar graduated from Lehigh University, USA, with a Bachelor of Science in Industrial Engineering and a specialisation in Management Systems.

(f) **No. & dates of Board Meeting held:** During the FY 2010-11, four (4) Board meetings were held on May 28, 2010, July 29, 2010, November 11, 2010 and February 11, 2011. The gap between any two meetings never exceeded four months as per the requirements of Clause 49 of Listing Agreement.

(g) **Statutory Compliance of Laws:** The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

3. **Management Board**

The Company has constituted a Management Board with a primary aim to follow the best practices of Corporate Governance with a view to maintaining strong business fundamentals and delivering high performance through relentless focus on the affairs of the Company including its India, South Africa and Europe Operations.

The said Management Board consists of 11 members comprising of the Company's senior management team. The objective of the Management Board is to (i) bring uniformity in policy making process for key functions undertaken at corporate level; (ii) sharing & promoting implementation of process improvements and best practices and (iii) analysing certain key operational matters /new projects, to enhance stakeholders' value.

The Management Board meets at least once in every quarter to perform its functions.

The Company Secretary of the Company acts as the Secretary to the Management Board.

4. **Audit Committee**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor, and notes the processes and safeguards employed by each. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor.

(a) Composition & Terms of Reference of Committee:

The Board of Directors constituted an audit committee in the year 1992. The Audit Committee of the Company has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges. The present audit committee comprises of following three Non-Executive and Independent Directors viz. Mr M R B Punja, Mr K Jacob Thomas and Dr S Narayan and one Executive Director viz. Mr U S Oberoi. Mr M R B Punja is the Chairman of the Committee. All the members are financially literate and possess the requisite financial/accounting acumen to specifically look into the internal controls and audit procedures. Members have discussions with the Statutory Auditors during the meetings of the committee and the quarterly/half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the board of directors. The committee also reviews the Internal Control Systems, IT systems and conduct of the Internal Audit.

The audit committee has been entrusted with the following responsibilities: -

- Overview of the Company's financial reporting process and disclosure of its financial information.
- Recommend the appointment/removal of External Auditors, nature and scope of audit and their fee.
- Review with the management, the quarterly/half yearly and annual financial statements before submission to the board.
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Discussion and review of the Internal Audit Reports and the reports of the external auditors with the management and follow up thereon.
- Review of the adequacy and effectiveness of internal audit function, the internal control system of the Company, compliance with the Company's policies and applicable laws and regulations.
- Discussions with External Auditors about the scope of audit including the observations of the auditors.
- Discussion with Internal Auditors about significant findings and follow up thereon.
- The audit committee may also review such matters as are considered appropriate by it or referred to it by the board.

(b) Meetings of Audit Committee and attendance of members during the year:

During the financial year, 4 (four) Audit Committee meetings were held on May 28, 2010, July 28, 2010, November 10, 2010 and February 10, 2011.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr M R B Punja	Chairman	Non- Executive, Independent	4
Mr K Jacob Thomas	Member	Non- Executive, Independent	4
Dr S Narayan	Member	Non- Executive, Independent	3
Mr U S Oberoi	Member	Executive	4

In addition to the members of the audit committee, these meetings were attended by the Chief Financial Officer, Heads of Accounts & Finance and other respective functional heads, Internal Auditors, Cost Auditors and Statutory Auditors of the Company, wherever necessary, and those executives of the Company who were considered necessary for providing inputs to the committee.

Mr P N Wahal, Company Secretary, acts as secretary of the committee.

The Chairman of the Audit Committee, Mr M R B Punja was present at the Annual General Meeting of the Company held on July 29, 2010.

(c) Role of Internal Auditors:

Apollo Tyres considers its Internal Audit Department as a powerful tool with clear focus on risk control and governance. Internal Auditing assesses and promotes strong ethics and values within the organisation and serves as an educational resource regarding changes and trends in the business and regulatory environment.

At Apollo, the Internal Audit Team aims at audit of the organisation which is reflected by quality review of all major functional areas-Production, Marketing, Sales, Technical, Commercial and Finance. Besides legal and compliance issues, Internal Audit function supports in evaluation of Internal Control Systems and locating all other important issues, which contribute to organisational objectives of customer delight, employee satisfaction, operating profit margin increase and revenue growth.

Internal Audit also provides objective assurance to the Board on all the major findings during their audit.

(d) Subsidiary Companies:

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary Company.

The Audit Committee of the Company reviews the financial statements, in particular the investments made by all unlisted subsidiary companies. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings. The minutes of all the subsidiary companies along with summary of all important items included in those minutes are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of all its subsidiaries is also reviewed by the Board periodically.

5. Remuneration Committee

(a) Constitution and Composition of the Committee:

The Board of Directors had constituted a Remuneration Committee in the year 2003. The Remuneration Committee comprised three non-executive Independent Directors: Mr M R B Punja, Dr S Narayan and Mr K Jacob Thomas. Mr M R B Punja is the Chairman of the Committee. The Company Secretary is acting as the secretary to the Remuneration Committee.

(b) Brief description of the Terms of Reference

The Remuneration Committee has been entrusted with the following responsibilities to review and grant annual increments, vary and/or modify the terms and conditions of appointment/re-appointment including remuneration and perquisites, commission etc. payable to Managing Directors within the overall ceiling of remuneration as approved by the members.

(c) Meetings of Remuneration Committee and attendance of members during the year

During the financial year, 1(one) Remuneration Committee meeting was held on May 28, 2010. The attendance of members of the Remuneration Committee at such meeting was as follows:

Name of Director	Designation	Category of Director	No. of meetings attended
Mr M R B Punja	Chairman	Non- Executive, Independent	1
Mr K Jacob Thomas	Member	Non- Executive, Independent	1
Dr S Narayan	Member	Non- Executive, Independent	1

(d) **Payment of remuneration/sitting fee to the Directors**

The details of remuneration paid to Directors during the FY 2010-11 is given below:

(i) Executive Directors:

(Rs Million)

Name of Director	Salary	Contribution to PF/ Superannuation	Commission/ Performance Bonus	Perquisites	Total Remuneration
Mr Onkar S Kanwar	36.00	11.45	47.00	46.29	140.74
Mr Neeraj Kanwar	14.40	7.57	28.00	26.34	76.31
Mr U S Oberoi	2.82	1.12	3.24	3.51	10.69
Mr Sunam Sarkar	3.64	1.42	4.88	9.04	18.98
	56.86	21.56	83.12	85.18	246.72

The remuneration policy of the Company is to remain competitive in the industry to attract and retain talent and appropriately reward them on their contribution towards growth of the Company.

ii) Non-Executive Directors: Sitting fee and commission paid/to be paid to the Non-Executive Directors is in pursuance of the resolution passed by the Board/Shareholders.

Name of Director	Sitting fee (Rs Million)	Commission provided for the year 2010-11 (Rs/Million)	No. of Shares held as on March 31, 2011
Mr A K Purwar	0.06	1.10	
Mr T Balakrishnan* @ Mr P Prabakaran* Dr A K Dubey*	0.02	2.19	
Mr K Jacob Thomas	0.24	1.10	442050
Mr M R B Punja	0.18	1.10	
Mr Mike J Hankinson#	0.02	1.10	
Mr Nimesh Kampani	0.06	1.10	
Mr Raaja Kanwar +	0.00	0.13	180880
Mr Robert Steinmetz	0.08	1.10	
Dr S Narayan	0.14	1.10	

*Commission payable to Government of Kerala @ Resigned w.e.f. March 26, 2011. # Resigned w.e.f April 2, 2011.
+ Resigned w.e.f. May 17, 2010.

6. **Shareholders'/Investors' Transfer/Grievance Committee**

Shareholders'/Investors' Transfer/Grievance Committee looks after the share transfer work besides redressal of Shareholder complaints .

The Board of Directors of the Company has with a view to expediting the process of share transfers delegated the power of share transfer upto 10,000 shares to one of the Whole time Director and/or Company Secretary who attend to share transfer formalities as and when required. The share transfer requests for shares beyond the aforesaid limits are processed by the Committee itself.

(a) Constitution and Composition of the Committee:

Shareholders'/Investors' Transfer/Grievance Committee comprises of four Directors viz. Mr K Jacob Thomas, Mr Neeraj Kanwar, Mr Sunam Sarkar and Mr U S Oberoi. Mr K Jacob Thomas, an independent Director acts as Chairman of the Committee.

Mr P N Wahal, Company Secretary, is acting as the Secretary to the Committee as well as the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

(b) Terms of reference

This Committee has been formed with a view to undertake the following: -

- Approval of transfer/transmission of shares/debentures issued by the Company, issue of duplicate certificates and certificates after split/consolidation/ replacement.
- Looking into the redressal of Shareholders' and investors' complaints and other areas of investor services.

(c) Meetings of Shareholders'/Investors' Transfer/Grievance Committee and attendance of members during the year

During the year, 4 (four) meetings of the Shareholders'/Investors' Transfer/Grievance Committee were held on May 28, 2010, August 5, 2010, November 11, 2010 and February 11, 2011.

Name of Director	Designation	Category of Director	No. of meetings attended
Mr K Jacob Thomas	Chairman	Non- Executive, Independent	3
Mr Neeraj Kanwar	Member	Executive	3
Mr Sunam Sarkar	Member	Executive	4
Mr U S Oberoi	Member	Executive	4

(d) No. of Shareholders' complaints received:

During the year 2010-11, the Company received 32 complaints. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders. All other complaints were attended and resolved to the satisfaction of the Shareholders.

7. CEO/CFO Certification

The Managing Director and CFO have certified, in terms of revised clause 49 of the Listing Agreement, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

8. General Body Meetings

(a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution Passed
2009-2010	29.07.2010	10.00 A.M.	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road,Ernakulam, Kochi (Kerala)	No Special Resolution was passed
2008-2009	23.07.2009	- do -	- do -	No Special Resolution was passed
2007-2008	18.07.2008	- do -	- do -	Employees Stock Option Scheme

(b) Resolutions passed last year through postal ballot:

During the year 2010-11, the Company had conducted voting through postal ballot on January 4, 2011. The Company complied with the procedure for the Postal Ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and the amendments thereto. The following resolutions were passed through postal ballot as per details of voting pattern given hereunder:-

1. Authorisation for borrowings up to Rs 35000 millions under Section 293 (1) (d) of the Companies Act, 1956 – Ordinary Resolution

Number of Postal Ballots received	3,175
Total number of valid votes	22,86,18,306
Votes cast in favour of the Resolution	19,77,40,077
Votes cast against the Resolution	3,08,62,429
Votes abstained from casting	15,800
Votes required for carrying the resolution as an Ordinary Resolution	3,08,62,430
Majority of votes received in favour of the Resolution	16,68,77,648
Number of invalid Postal Ballots	32
Number of invalid votes	35,65,894

Result: The Resolution No.1 for authorization for borrowings under Section 293(1)(d) of the Companies Act, 1956 is passed as an ordinary resolution as the votes cast in favour of the resolution exceed the votes cast against the resolution.

2. Authorisation for creation of securities upto Rs 35000 millions under Section 293 (1) (a) of the Companies Act, 1956 – Ordinary Resolution

Number of Postal Ballots received	3,175
Total number of valid votes	22,86,18,306
Votes cast in favour of the Resolution	19,77,26,632
Votes cast against the Resolution	3,08,62,064
Votes abstained from casting	29,610
Votes required for carrying the resolution as an Ordinary Resolution	3,08,62,065
Majority of votes received in favour of the Resolution	16,68,64,568
Number of invalid Postal Ballots	32
Number of invalid votes	35,65,894

Result: The Resolution No.2 for creation of security under Section 293(1)(a) of the Companies Act, 1956 is passed as an ordinary resolution as the votes cast in favour of the resolution exceed the votes cast against the resolution.

9. **Disclosures**

(a) Related Party Transactions

During the year, no transaction of material nature has been entered into by the Company with its Promoters, the Directors or the Management, their subsidiary or relatives etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the board regularly. Related Parties transactions with them as required under Accounting Standard (AS-18) are furnished under Note No. B-21 of the Notes on Accounts attached with the financial statements for the year ended March 31, 2011.

(b) Disclosure of accounting treatment

There has not been any change in accounting policies of the Company during the year.

(c) **Risk Management**

The Company's activities expose it to a variety of risks including market risk, sales risk, raw material risk, regulatory risk, product liability and liquidity risk etc. The Company's overall risk management seeks to minimize potential adverse effects on its performance.

A Risk Management Steering Committee of the Company has been formed headed by Chief (India Operations) as Chairman of the Committee and represented by the functional heads as Chief Risk officers .The Committee embraces the identification, assessment, mitigation, monitoring and reporting of material risks faced by the Company.

The Risk Management Steering Committee meets quarterly and discusses the updated profiles of major risks in each functional area together with possible mitigation controls and action plans. The objective is to assist the Board to maintain high standards of business conduct and to protect the Company's assets, achieve sustainable business growth and ensure compliances with applicable legal and regulatory requirements.

In terms of sub-clause IVC of Clause 49 of the Listing Agreement, the Company has made its Risk Charter and Risk Register etc. on the basis of comprehensive study undertaken by Deloitte Touche Tohmatsu Private Limited to frame a risk management policy/internal control frame work. The Board/Audit Committee periodically reviews the risks and opportunities and plans to mitigate the same.

(d) **Compliance by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above. A Statutory Compliance Dashboard system has been introduced to create a centralized repository for all evidence of compliance.

10. **Means of communication**

- The quarterly/half yearly and annual financial results of the Company are normally published in Financial Express/Business Standard/Hindustan Times/Mint (national dailies) and Kerala Kumudi/Matrubhumi (regional dailies). In addition to the above, quarterly and annual results are displayed at our website at www.apollotyres.com for the information of all Shareholders.

- All material information about the Company is promptly sent to the stock exchanges and the Company regularly updates the media and investor community about its financial as well as other organisational developments.

11. **General Shareholder Information**

a) **Registered Office**	:	6th Floor Cherupushpam Building Shanmugham Road Kochi 682031, Kerala
b) **Annual General Meeting:**		
- Date	:	August 11, 2011
- Day	:	Thursday
- Time	:	10 AM
- Venue	:	Kerala Fine Arts Theatre Fine Arts Avenue Foreshore Road Ernakulam, Kochi, Kerala
- Posting of Annual Report	:	On or before July 15, 2011
- Last date of receipt of Proxy form	:	August 9, 2011 before 10 AM

c) **Financial Calendar for FY2011-12**

Financial Reporting for the quarter ending June 30, 2011	:	On or before August 14, 2011
Financial Reporting for the quarter ending September 30, 2011	:	On or before November 14,2011
Financial Reporting for the quarter ending December 31, 2011	:	On or before February 14, 2012
Financial Reporting for the quarter ending March 31, 2012	:	April–May, 2012

d) **Dates of Book-Closure**

The dates of the book closure shall be from July 28, 2011 to August 11, 2011 (both days inclusive).

e) **Dividend Payment**

The dividend of Re 0.50 per equity share for the FY 2010-11, subject to approval from Shareholders, has been recommended by the Board of Directors. The same shall be paid on or after August 11, 2011 but within the statutory time limit .

f) **Unclaimed Dividends**

As provided in Section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended March 31, 2004 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEP Fund) established by the Central Government, and no payments shall be made in respect of any such claims by the IEP Fund.

During the year, the Company had transferred Rs 17.98 lakh lying unclaimed in Unpaid Dividend Account in respect of Dividend for the year 2002-03 to the said Fund on September 29, 2010.

g) **Listing at Stock Exchanges**

1. Cochin Stock Exchange Ltd
   MES, Dr P K Abdul Gafoor Memorial
   Cultural Complex, 36/1565, 4th Floor
   Judges Avenue, Kaloor
   Kochi-682017
   Tel: +91 484 2400044, 2401898
   Fax: +91 484 2400330
   Email: cse1@vsnl.com

2. Bombay Stock Exchange Ltd
   Phiroze Jeejeebhoy Towers
   1st Floor, Dalal Street
   Mumbai-400001
   Tel: +91 22 22721233/34
   Fax: +91 22 22721919/3027
   Email: corp.relations@bseindia.com

3. National Stock Exchange of India Ltd
   Exchange Plaza, Bandra Kurla Complex
   Bandra (E), Mumbai 400051
   Tel: +91 22 26598100-14
   Fax: +91 22 26598237-38
   Email: cmlist@nse.co.in

The annual listing fee for the year 2011-12 has been paid to all the aforesaid stock exchanges.

h) **Stock Code**

Bombay Stock Exchange Ltd	500877
National Stock Exchange of India Ltd	APOLLOTYRE

i) **Stock Market Price Data for the year 2010-11**

ATL share price on NSE and Nifty Index

Month	NSE			Nifty Index	
	High (Rs)	Low (Rs)	Volume (in million)	High	Low
April 2010	82.60	61.50	114.42	5399.65	5160.90
May 2010	72.75	61.30	73.94	5278.70	4786.45
June 2010	72.45	64.25	85.92	5366.75	4961.05
July 2010	69.80	59.10	67.62	5477.50	5225.60
August 2010	78.80	61.20	98.07	5549.80	5348.90
September 2010	89.00	72.00	177.01	6073.50	5403.05
October 2010	85.80	70.45	78.32	6284.10	5937.10
November 2010	76.50	60.30	126.89	6338.50	5690.35
December 2010	72.40	62.50	68.33	6147.30	5721.15
January 2011	71.20	48.20	71.07	6181.05	5416.65
February 2011	59.85	44.00	72.92	5599.25	5177.70
March 2011	71.20	52.50	121.14	5872.00	5348.20

ATL share price on BSE and Sensex

Month	BSE			Sensex	
	High (Rs)	Low (Rs)	Volume (in million)	High	Low
April 2010	82.55	69.15	29.20	18,047.86	17,276.80
May 2010	72.70	61.25	17.16	17,536.86	15,960.15
June 2010	72.40	64.25	16.50	17,919.62	16,318.39
July 2010	69.70	59.15	13.56	18,237.56	17,395.58
August 2010	78.70	62.50	23.23	18,475.27	17,819.99
September 2010	88.80	72.20	36.44	20,267.98	18,027.12
October 2010	85.80	70.50	14.16	20,854.55	19,768.96
November 2010	76.45	60.30	24.96	21,108.64	18,954.82
December 2010	72.40	62.50	13.26	20,552.03	19,074.57
January 2011	71.20	48.20	11.29	20,664.80	18,038.48
February 2011	59.75	44.05	10.03	18,690.97	17,295.62
March 2011	71.20	51.00	20.38	19,575.16	17,792.17

j) **Shares Traded during April 1, 2010 to March 31, 2011**

	BSE	NSE
No. of shares traded (in Million)	230.17	1156.65
Highest Share Price (in Rs)	88.80	89.00
Lowest Share Price (in Rs)	44.05	44.00
Closing Share Price (as on March 31, 2011)	69.55	69.55
Market Capitalization (as on March 31, 2011) (in million)	35054.92	35054.92

k) **Elimination of Duplicate Mailing**

The Shareholders who are holding Shares in more than one folio in identical name, or in joint holder's name in similar order, may send the Share certificate(s), along with request for consolidation of holding in one folio, to avoid mailing of multiple Annual Reports.

l) **Share Transfer System**

To expedite the share transfer in physical segment, "Shareholders'/Investors' Transfer/Grievances Committee" has authorised Whole-time Director and Company Secretary to approve transfer of securities upto 10,000 received from individuals and transfers pertaining to shares of notified parties lodged by the Office of Custodian on weekly basis. In case of approval of transfer of securities over 10,000, the "Shareholders'/Investors' Transfer/Grievances Committee" meets at periodical intervals. In any case, all share transfers are completed within the prescribed time limit from the date of receipt, if document meets the stipulated requirement of statutory provisions in all respects. In reference to SEBI directives, the Company is providing the facility for transfer and dematerialisation of securities simultaneously. The total no. of shares transferred during the year were 266199. All the transfers were completed within stipulated time.

As per the requirement of clause 47 (c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

m) **Distribution of Shareholding**

The following is the distribution of shareholding of equity shares of the Company as on March 31, 2011:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of shareholding
1-2500	151619	97.90	46183407	9.16
2501-5000	1909	1.23	7131856	1.41
5001-10000	703	0.45	5225660	1.04
10001-20000	287	0.19	4173319	0.83
20001-30000	92	0.06	2351822	0.47
30001-40000	46	0.03	1659182	0.33
40001-50000	27	0.02	1249612	0.25
50001-100000	35	0.02	2438316	0.48
100001 & above	148	0.10	433611596	86.03
Total	154866	100.00	504024770	100.00

"Group" for inter-se transfer of shares

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the following entities constitute "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of Regulation 10 to 12 of the aforesaid SEBI Regulations: Apollo Finance Ltd, Sunrays Properties & Investment Co. Pvt. Ltd, Ganga Kaveri Credit & Holding Co. Pvt. Ltd, Sacred Heart Investment Co. Pvt. Ltd, Kenstar Investment & Finance Pvt. Ltd, Neeraj Consultants Ltd, Constructive Finance Pvt. Ltd, Motlay Finance Pvt. Ltd, Indus Valley Investment & Finance Pvt. Ltd, Sargam Consultants Pvt. Ltd, Global Capital Ltd, Apollo International Ltd, OSK Holdings Pvt. Ltd, Classic Auto Tubes Ltd, PTL Enterprises Ltd, J&S Systems Corporation and Mr Onkar S Kanwar along with his family members.

The above entities, along with the family members hold 223.41 million shares constituting 44.23% of the share capital of the Company as on March 31, 2011.

n) **Secretarial Audit**

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Secretarial Audit of the Company for the purpose of reconciliation of total admitted capital with the Depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

The Company Secretary in practice conducts such Secretarial Audit in every quarter and issues a Secretarial Audit Certificate to this effect to the Company.

o) **Dematerialisation of Shares and Liquidity**

The equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE438A01022.

As on March 31, 2011, 97.03 % of the share capital stands dematerialised. BSE and NSE have permitted trading of Apollo Tyres' share into future and option (F&O) segment with effect from February 19, 2010.

p) **Share Transfer/Demat Registry work**

All share transfers/demat are being processed in house. The Company has established direct connectivity with NSDL/CDSL for carrying out demat completely in house.

q) **Share Transfer Department**

All Communications regarding change of address for shares held in physical form, dividend etc. should be sent at the Company's Corporate Headquarters at:-

Apollo Tyres Ltd
Apollo House, 7, Institutional Area
Sector-32, Gurgaon–122 001(Haryana)
Tel: (0124) 238 3002-10
Fax: (0124) 238 3351
Email: investors@apollotyres.com

r) **ECS Mandate**

All Shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the Shareholders.

s) The Ministry of Corporate Affairs has taken a **"Green Initiative in Corporate Governance"** by allowing service of various documents to be sent to members by the Companies through electronic mode.

All Shareholders are requested to update their E-Mail addresses to enable us to send you the Company documents in electronic form.

t) **Plant Location:**

1. Perambra, PO Chalakudy
   Trichur 680 689, Kerala
2. Limda, Taluka Waghodia
   Dist Vadodara 391760, Gujarat
3. SIPCOT Industrial Growth Centre
   Oragadam, Tamil Nadu

u) Address for correspondence for share transfer/demat of shares, payment of dividend and any other query relating to shares. : Secretarial Department
Apollo Tyres Ltd
Apollo House, 7 Institutional Area
Sector 32, Gurgaon 122001
Tel: +91 124 2383002-10

12. **Additional Information**

a) **Investor Relations Section**

The Investors Relations Section is located at the Corporate Office of the Company.

Contact person	:	P N Wahal, Compliance Officer
Time	:	10 AM to 6 PM on all working days of the Company (Saturdays and Sundays closed)
Tel:	:	+91 124 2383002-10
Fax:	:	+91 124 2383351
Email:	:	investors@apollotyres.com

b) Bankers

State Bank of India
Union Bank of India
State Bank of Patiala
ICICI Bank
IDBI Bank
BNP Paribas
State Bank of Travancore
Dhanlaxmi Bank
DBS Bank
Kotak Mahindra Bank
Deutsche Bank
Bank of India
Canara Bank
State Bank of Mysore
Axis Bank
Standard Chartered Bank
Punjab National Bank
Yes Bank Ltd
HSBC Bank
Credit Agricole Corporate and Investment Bank (Calyon)
Bank of Nova Scotia

c) Auditors

Deloitte Haskins & Sells, Chennai, Chartered Accountants

d) Cost Auditors

N P Gopalakrishnan & Co., Cost Accountants

e) Code of Conduct of Insider Trading

Apollo Tyres Ltd has a Code of Conduct for 'Prevention of Insider Trading' in the securities of the Company. The Code of Conduct prohibits the purchase/ sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company. P N Wahal, Company Secretary, has been appointed as Compliance Officer.

This Code of Conduct is applicable to all the Directors, Departmental Chiefs and Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information.

f) Code of Conduct for Directors and Senior Management

Apollo Tyres has a code of business conduct called "The Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is applicable to all the Directors and Senior Management of the Company. The Company Secretary is the compliance officer.

g) Code of Corporate Disclosure Practices

The Code lays down broad standards of compliance and ethics, as required by the listing agreement(s) and other applicable SEBI regulations. The Code is required to be complied in respect of all corporate disclosures in respect of ATL and/or its subsidiary companies, including overseas subsidiaries, namely, Apollo Tyres South Africa (Pty) Ltd, South Africa and Apollo Vredestein BV, Netherlands.

The Code is applicable to the designated officers of the Company. The Company Secretary is the compliance officer.

Declaration Affirming Compliance of provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended March 31, 2011.

For Apollo Tyres Ltd.

Onkar Kanwar

(Onkar S Kanwar)
Chairman & Managing Director

Place: Gurgaon
Date : May 11, 2011

COMPLIANCE:

The certificate dated May 11, 2011 obtained from statutory auditors, M/s. Deloitte Haskins & Sells, Chennai forms part of this annual report and the same is given herein:

AUDITORS' CERTIFICATE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT

CERTIFICATE

To the Members of Apollo Tyres Ltd.

We have examined the compliance of conditions of Corporate Governance by Apollo Tyres Ltd (the Company)for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
CHARTERED ACCOUNTANTS

(Registration No. 008072S)

sd/-

Geetha Suryanarayanan
PARTNER
(Membership No. 29519)

Place: Gurgaon
Date : May 11, 2011

AUDITORS' REPORT

TO THE MEMBERS OF APOLLO TYRES LTD.

1. We have audited the attached Balance Sheet of Apollo Tyres Ltd. ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
   (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
   (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)

sd/-

Geetha Suryanarayanan

Partner
(Membership No.29519)

Place: Gurgaon
Date : May 11, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses 4(x), 4(xii), 4(xiii), 4(xiv), 4(xviii) and 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacture of automobile tyres and tubes and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as at March 31, 2011 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs in Million)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1982	Custom Duty	23.50	Assessment Years 1989-90 & 1994-95	Assistant/Deputy commissioner of Customs/Supreme Court
Sales Tax Act applicable to various States	Sales Tax	94.61*	Assessment Years 1991-92 to 2003-04, 2005-06 & 2006-07	Various Appellate Authorities/ Revenue Board/ High Court
Central Excise Act, 1944	Excise Duty and Additional Excise Duty	704.92**	Assessment Years 1995-96 to 2009-10	Various Appellate Authorities/ High Court

* Net of deposits Rs 15.65 Million

** Net of deposits of Rs 22.53 Million

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie prejudicial to the interests of the Company including bank deposits pledged by the Company as referred to in Schedule 6 to the financial statements.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xiv) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1,000 numbers of 9.40% Redeemable Non-Convertible debentures of Rs. 1 Million each. The Company has created security in respect of the debentures issued.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)

sd/-

Geetha Suryanarayanan
Partner

Place: Gurgaon
Date : May 11, 2011

(Membership No.29519)

BALANCE SHEET
AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	**504.09**	504.09
Reserves and Surplus	2	**18,451.51**	16,761.87
		18,955.60	17,265.96
Loan Funds :	3		
Secured		**10,933.00**	8,759.46
Unsecured		**8,146.70**	2,570.16
		19,079.70	11,329.62
Deferred Tax Liability (Net) - Note B-17		**2,410.71**	1,974.51
TOTAL		**40,446.01**	30,570.09
APPLICATION OF FUNDS :			
Fixed Assets	4		
Gross Block		**32,991.27**	24,141.70
Less: Accumulated Depreciation /Amortization		**9,155.50**	8,039.45
Net Block		**23,835.77**	16,102.25
Capital Work in Progress (Incl. Capital Advances)		**5,028.26**	5,360.44
		28,864.03	21,462.69
Investments	5	**5,593.47**	5,593.76
Current Assets, Loans and Advances :	6		
Inventories		**11,363.34**	5,527.28
Sundry Debtors		**2,042.80**	1,375.43
Cash and Bank Balances		**1,412.63**	2,588.28
Other Current Assets		**-**	44.18
Loans and Advances		**3,389.30**	2,667.95
		18,208.07	12,203.12
Less: Current Liabilities and Provisions	7		
Current Liabilities		**10,290.48**	6,904.60
Provisions		**1,929.08**	1,784.88
		12,219.56	8,689.48
Net Current Assets		**5,988.51**	3,513.64
TOTAL		**40,446.01**	30,570.09
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	12		

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GEETHA SURYANARAYANAN
Partner

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2011

	Schedule		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
INCOME					
Gross Sales		60,009.56		54,256.38	
Less : Excise Duty		5,104.70	54,904.86	3,890.77	50,365.61
Other Income	8		266.91		111.83
			55,171.77		50,477.44
EXPENDITURE					
Manufacturing and Other Expenses	9		53,316.41		42,754.97
Increase in Work-in-Process and Finished Goods	10		(3,746.58)		(226.76)
Interest	11		1,492.92		739.46
			51,062.75		43,267.67
PROFIT BEFORE DEPRECIATION & TAX			4,109.02		7,209.77
Depreciation			1,473.54		1,227.82
PROFIT BEFORE TAX			2,635.48		5,981.95
Provision for Tax					
- Current		532.68		1,418.23	
- Deferred		436.20		413.84	
- MAT Credit		(315.93)	652.95	-	1,832.07
NET PROFIT FOR THE YEAR			1,982.53		4,149.88
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			5,891.91		3,245.33
AMOUNT AVAILABLE FOR APPROPRIATION			7,874.44		7,395.21
DEDUCT- APPROPRIATIONS:					
General Reserve			1,000.00		1,000.00
Debenture Redemption Reserve			112.50		62.50
Proposed Dividend			252.01		378.02
Dividend Tax			40.88		62.78
			1,405.39		1,503.30
BALANCE CARRIED TO SCHEDULE 2			6,469.05		5,891.91
BASIC AND DILUTED EARNINGS PER SHARE (FACE VALUE OF Re 1/- each) (Rs)			3.93		8.23
(Refer Note B-25 of Schedule 12)					
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	12				

The Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GEETHA SURYANARAYANAN
Partner

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

CASH-FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2011

		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
A. CASH FLOW FROM OPERATING ACTIVITIES				
(i) **Net Profit Before Tax**		**2,635.48**		5,981.95
Add: **Adjustments for:**				
Depreciation	1,473.54		1,227.82	
(Profit)/Loss on Sale of Assets (Net)	(149.97)		39.29	
(Profit)/Loss on Sale of Investments	0.50		-	
Dividend from Subsidiary	(44.98)		-	
Dividend from Trade & Non Trade Investments	(0.23)		(0.11)	
Diminution in the Value of Investments	-		40.72	
Provision for Doubtful Debts/Advances	37.43		8.00	
Provision for Doubtful Debts/Advances written back	(5.25)		(41.12)	
Unclaimed Credit Balances/Provisions written back	(43.61)		(1.05)	
Deferred Revenue Expenditure Amortized	-		1.51	
Interest (Net of Interest Capitalized)	1,492.92		739.46	
Forex Fluctuation Gain on Sale of Investment	-		(8.26)	
Unrealized Forex Fluctuation Loss / (Gain) on Reinstatement	60.26		(50.35)	
Bad Debts/Advances Written Off	5.25	**2,825.86**	42.69	1,998.60
(ii) **Operating Profit Before Working Capital Changes**		**5,461.34**		7,980.55
Add: **Adjustments for:**				
(Increase)/Decrease in Inventories	(5,836.06)		(1,356.81)	
(Increase)/Decrease in Sundry Debtors	(654.86)		(506.34)	
(Increase)/Decrease in Loans & Advances	(448.10)		(795.91)	
Increase/(Decrease) in Current Liabilities	3,239.47		2,393.46	
Increase/(Decrease) in Provisions	(30.22)	**(3,729.77)**	612.69	347.09
(iii) **Cash Generated from Operations**		**1,731.57**		8,327.64
Less: Direct Taxes Paid (Net of Refund)		**(207.95)**		(1,301.06)
Net Cash From Operating Activities		**1,523.62**		7,026.58
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Including Interest Capitalized)	(8,938.89)		(8,585.42)	
Proceeds from Sale of Fixed Assets	254.26		103.07	
Purchase of Investments	-		(2,747.25)	
Long Term Fixed Term Deposits With Banks Matured	27.22		577.62	
Proceeds from Sale of Investments	-		95.51	
Dividends Received from Subsidiary	44.98		-	
Dividends Received from Trade & Non Trade Investments	0.02		0.11	
Interest Received	66.00		25.17	
Net Cash Used in Investing Activities		**(8,546.41)**		(10,531.19)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Long Term Borrowings Received/Issue of Debentures	3,521.48		4,624.82	
Repayment of Long Term Borrowings	(1,417.54)		(600.84)	
Unpaid Debentures Redeemed during the Year	-		(0.85)	
Bank Overdraft/Short Term Borrowings (Net of Repayments)	5,646.14		350.49	
Payment of Dividends (including Dividend Tax)	(437.53)		(264.17)	
Interest Paid (Net of Interest Received and Interest Capitalized)	(1,438.19)		(844.92)	
Net Cash Flow From Financing Activities		**5,874.36**		3,264.53
Net (Decrease)/Increase in Cash & Cash Equivalents		**(1,148.43)**		(240.08)
Cash & Cash Equivalents as at Beginning of the year		**2,588.28**		3,405.98
Less: Bank Deposits with Original Maturity over Three Months		**102.12**		679.74
Adjusted Cash & Cash Equivalents as at Beginning of the year		**2,486.16**		2,726.24
Cash & Cash Equivalents as at the end of the year		**1,412.63**		2,588.28
Less: Bank Deposits with Original Maturity over Three Months		**74.90**		102.12
Adjusted Cash & Cash Equivalents as at the end of the year		**1,337.73**		2,486.16

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GEETHA SURYANARAYANAN
Partner

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman & Managing Director

NEERAJ KANWAR
Vice Chairman & Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer & Whole Time Director

P N WAHAL
Head (Sectt. & Legal) & Company Secretary

SCHEDULES
ANNEXED TO THE ACCOUNTS
SCHEDULE 1- SHARE CAPITAL

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
AUTHORISED		
730,000,000 Nos. (730,000,000 Nos.) Equity Shares of Re 1/- each	**730.00**	730.00
200,000 Nos. (200,000 Nos.) Cumulative Redeemable Preference Shares of Rs 100/- each	**20.00**	20.00
	750.00	750.00
ISSUED, SUBSCRIBED, CALLED AND PAID UP		
504,024,770 Nos. (504,024,770 Nos.) Equity Shares of Re 1/- each	**504.02**	504.02
Add: Forfeited Shares	**0.07**	0.07
	504.09	504.09

Equity Share of Rs 10 each have been sub-divided into ten equity shares of Re 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting held on July 26, 2007.

SCHEDULE 2 - RESERVES & SURPLUS

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
Capital Subsidy	**3.00**	3.00
Fixed Assets Revaluation Reserve	**31.22**	31.22
Share Forfeiture Rs 1,375/- (Rs 1375/-)	**-**	-
Capital Redemption Reserve	**44.40**	44.40
Debenture Redemption		
As per last Balance Sheet	**125.00**	62.50
Add: Transfer from Profit & Loss Account	**112.50**	62.50
	237.50	125.00
Securities Premium	**5,659.71**	5,659.71
Foreign Currency Translation Reserve		
As per last Balance Sheet	**-**	0.25
Less: Transferred during the year	**-**	0.25
	-	-
General Reserve		
As per last Balance Sheet	**5,006.63**	4,006.63
Add: Transfer from Profit & Loss Account	**1,000.00**	1,000.00
	6,006.63	5,006.63
Surplus as shown in the Profit & Loss Account	**6,469.05**	5,891.91
	18,451.51	16,761.87

SCHEDULE 3 - LOANS

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
SECURED				
Debentures				
1,250 - 11.50 % Non Convertible Debentures of Rs 1,000,000/- each		**1,250.00**		1,250.00
1,000 - 9.40 % Non Convertible Debentures of Rs 1,000,000/- each		**1,000.00**		-
		2,250.00		1,250.00
Term Loans				
From International Finance Corporation:				
- Foreign Currency Loan A	**684.07**		35.73	
- Foreign Currency Loan B	**451.10**		53.58	
- Rupee Loan	**-**	**1,135.17**	107.17	196.48
From Banks:				
External Commercial Borrowings:				
- ECB from BNP Paribas, Singapore		**549.56**		732.75
- ECB I from Standard Chartered Bank, Singapore		**667.34**		934.27
- ECB II from Standard Chartered Bank, Singapore		**933.30**		933.30
- ECB from HSBC, Mauritius		**924.40**		-
Others:				
- Industrial Development Bank of India		**710.00**		1,460.00
- ICICI Bank		**500.00**		-
- Dhanalakshmi Bank		**500.00**		500.00
- Yes Bank		**1,000.00**		1,000.00
- Buyers Credit from Standard Chartered Bank		**466.64**		415.42
From Institutions:				
- Bharat Earthmovers Ltd. (BEML)		**742.41**		816.10
		8,128.82		6,988.32
Other Loans:				
- Banks - Cash Credit		**213.96**		144.36
- Deferred Payment Credit		**320.25**		338.29
- Sales Tax Loan		**19.97**		38.49
		554.18		521.14
		10,933.00		8,759.46
UNSECURED				
- Commercial Paper		**1,050.00**		1,250.00
- Buyers Credit		**836.15**		20.16
- Short term Loans - From Banks		**6,260.55**		1,300.00
		8,146.70		2,570.16

Secured Loans include **Rs 2,351.24 Million** (Rs 729.11 Million) repayable within one year.
Unsecured Loans include **Rs 8,146.70 Million** (Rs 2,570.16 Million) repayable within one year.

NOTES: SECURED LOANS

1. Loan-A from International Finance Corporation is secured by :
    - A pari passu first charge along with other lenders on the company's land at Perambra in Kerala, at Oragadam and Mathur village in Tamil Nadu and at Village Limda in Gujarat together with the Factory Buildings, Plant & Machinery and Equipments, both present and future.
    - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank (ECB-I) and HSBC Bank (Mauritius) Ltd. on the current assets of the company.
2. Loan-B from International Finance Corporation is secured by:
    - A pari passu first charge along with other lenders on the company's land at Perambra in Kerala, at Oragadam and Mathur village in Tamil Nadu and at Village Limda in Gujarat together with the Factory Buildings, Plant & Machinery and Equipments, both present and future.
    - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank (ECB-I) and HSBC Bank (Mauritius) Ltd. on the current assets of the company.
3. Loan from BNP Paribas is secured by:
    - A pari passu first charge along with other lenders by way of mortgage on the company's land at village Limda in Gujarat, at Perambra in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
4. ECB - I from Standard Chartered Bank is secured by;
    - A pari passu first charge along with other lenders by way of mortgage on the company's land at village Limda in Gujarat, at Perambra in Kerala and at Village Oragadam and Mathur, Tamil Nadu together with the factory Building, Plant and Machinery and equipments both present and future.
    - A pari passu first charge on the movable assets and pari passu second charge along with Loan from International Finance Corporation and HSBC Bank (Mauritius) Ltd. on the current assets of the company.
5. ECB - II from Standard Chartered Bank is secured by;
    - A pari passu first charge along with other lenders by way of mortgage on the company's land at Perambra in Kerala, at Village Oragadam and Mathur, Tamil Nadu and at Village Limda in Gujarat together with the factory Building, Plant and Machinery and equipments both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
6. Loan from BEML is secured by :
    - A charge to be created by way of hypothecation on the assets at Village Limda in Gujarat acquired out of the proceeds of loan taken from BEML.
7. 1,250 11.50% Secured Redeemable Non-Convertible Debentures of Rs 1 million each aggregating to Rs 1,250 million subscribed by Life Insurance Corporation of India is secured by;
    - a pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Perambra in Kerala & at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts)
    - Redemption in 3 equal installments on 02-02-14, 02-02-15 & 02-02-16, respectively.
8. 1000 9.40% Secured Redeemable Non-Convertible Debentures of Rs 1 million each aggregating to Rs 1,000 million subscribed by Life Insurance Corporation of India is secured by;
    - a pari passu first charge along with other lenders created by way of mortgage on the Company's Land & Premises at Perambra in Kerala & at Village Limda in Gujarat together with the factory buildings, Plant & machinery & Equipments, both present & future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
    - Redemption on 10-11-2017.
9. Loan from IDBI Bank is secured by;
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambra in Kerala, Limda in Gujarat and at Oragadam and Mathur Village in Tamil Nadu together with the Factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
10. Loan from Yes Bank is secured by:
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambra in Kerala and at Oragadam and Mathur Village in Tamil Nadu, together with the factory Buildings, Plant and Machinery and equipments both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
11. Loan from Standard Chartered Bank (Buyers' Credit) is secured by:
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambra in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future.

12. Loan from Dhanalakshmi Bank is secured by:
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambra in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
13. Loan from ICICI Bank is secured by:
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambra in Kerala, at Oragadam and Mathur Village in Tamil Nadu and and at Village Limda in Gujarat together with the factory Buildings, Plant and Machinery and equipments both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
14. Loan from HSBC Bank (Mauritius) Ltd. is secured by:
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambra in Kerala, at Oragadam and Mathur Village in Tamil Nadu and at Village Limda in Gujarat together with the factory Buildings, Plant and Machinery and equipments both present and future.
    - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank and HSBC Bank (Mauritius) Ltd. on the current assets of the company.
15. Cash Credits and Guarantees from Banks are secured by Hypothecation of Raw materials, Work-in-Process, Stocks, Stores and Book Debts ranking in priority to the charge created in respect of the IFC Loan, ECB - I from Standard Chartered Bank and ECB from HSBC Bank (Mauritius) Ltd., and also by a second charge on the Company's land at Perambra in Kerala and at Oragadam and Mathur Village in Tamil Nadu, together with the Factory Buildings, Plant & Machinery and Equipments, both present and future.
16. Deferred payment credit is secured by specific assets purchased under the scheme and include **Rs 31.19 million** (Rs 27.51 million) repayable within one year.
17. The company had availed interest free Sales Tax Loan from the Gujarat State Government amounting to Rs 112.61 million. This loan is secured by a pari passu charge on the entire fixed assets of the company, both present and future situated at Village Limda in Gujarat. The said loan is repayable in six equal annual installments on the expiry of 14 years from the commencement of commercial production, 31st May, 2006. Accordingly, a sum of **Rs 18.53 million** (Rs 18.53 million) was paid during the year and **Rs 19.97 million** is repayable within one year.
18. Maximum amount outstanding on Commercial papers at any time during the year is **Rs 3,250 million** (Rs 2,220 million).

SCHEDULE 4 - FIXED ASSETS

Rs Million

Description of Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at March 31, 10	Additions	Deductions	As at March 31, 11	As at March 31, 10	Additions	Deductions	As at March 31, 11	As at March 31, 11	As at March 31, 10
Land	73.87 (b)	10.78	–	**84.65 (b)**	–	–	–	–	**84.65**	73.87
Leasehold Land *	144.08	15.96	–	**160.04**	4.67	1.74 (a)	–	**6.41**	**153.63**	139.41
Buildings	4,559.63 (b)	1,748.13	43.55	**6,264.21 (b)**	539.02	141.90	8.65	**672.27**	**5,591.94 (f)**	4,020.61
Plant & Machinery **	17,033.46	6,954.19 (c)	27.58	**23,960.07**	6,403.61	1,176.48	17.34	**7,562.75**	**16,397.32**	10,629.85
Electrical Installation	772.74	291.79	–	**1,064.53**	224.37	40.76	–	**265.13**	**799.40**	548.37
Furniture, Fixtures & Office Equipments	819.80	149.84	61.17	**908.47**	392.97	56.28	48.91	**400.34**	**508.13**	426.83
Vehicles	576.52	91.46	329.48	**338.50**	339.91	37.41	282.26	**95.06**	**243.44**	236.61
Intangible Assets	161.60	49.20	–	**210.80**	134.90	18.97	0.33	**153.54**	**57.26**	26.70
	24,141.70	**9,311.35** (d)	**461.78**	**32,991.27**	**8,039.45**	**1,473.54** (e)	**357.49**	**9,155.50**	**23,835.77**	**16,102.25**
Previous Year	18,379.96	6,039.07	277.33	24,141.70	6,946.60	1,227.82	134.97	8,039.45	16,102.25	11,433.36

* Leasehold Land is Net of **Rs 9.59 Million** (Rs 9.59 Million) subleased to a group company, Classic Auto Tubes Ltd. during the year 2009-10.

** Plant & Machinery includes Fixed Assets Held for Sale with a Gross Book Value of **Rs 38.52 Million** (Rs Nil) and a Net Book Value of **Rs 24.85 Million** (Rs Nil)

(a) Represents proportionate lease premium **Rs 1.74 Million** (Rs 1.73 Million) amortized.

(b) Includes amount added on revaluation in 1985-86 and 1986-87 - **Rs227.41 Million** (Rs 227.41 Million).

(c) Includes **Rs 29.53 Million** (Rs Nil) for capital expenditure on Research & Development (Note B -9).

(d) Includes directly attributable expenses capitalized to the extent of **Rs 247.95 Million** (Rs 265.38 Million) as per Note B-15 & Borrowing Cost capitalized to the extent of **Rs 241.39 Million** (Rs 257.42 Million) (Note B-8)

(e) Includes Additional Depreciation amounting to Nil (Rs 3.65 Million) charged during the year due to revision in useful life of certain class of vehicles.
Includes Impairment Loss amounting to **Rs 16.30 Million** (Rs Nil) on certain items of Plant & Machinery charged during the year.

(f) Net Block of Buildings include **Rs 4,336.91 Million** (Rs 3,321.40 Million) Buildings constructed on Leasehold Land.

SCHEDULE 5 - INVESTMENTS

LONG TERM (AT COST):	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
TRADE (FULLY PAID)		
QUOTED		
16,394 (16,394) Equity Shares of Rs 10/- each in Bharat Gears Ltd.	**0.36**	0.36
	0.36	0.36
NON TRADE (FULLY PAID)		
UNQUOTED		
SUBSIDIARY		
109,731,207 (5,568,188) Equity shares of US$ 1 each in Apollo (Mauritius) Holdings Pvt Ltd. - wholly owned subsidiary*	**5,590.81**	249.01
Nil (104,163,019) 9% Non-Cumulative Redeemable Preference Shares of US$ 1 each in Apollo (Mauritius) Holdings Pvt Ltd. - wholly owned subsidiary*	-	5,341.80
OTHERS		
Nil (24,500) Equity Shares of Rs 10/- each in Apollo Radial Tyres Ltd.**	-	0.25
Nil (24,500) Equity Shares of Rs 10/- each in Apollo Automotive Tyres Ltd.**	-	0.25
5,000 (5,000) Equity Shares of Rs 100/- each in Apollo Tyres Employees' Multipurpose Co-operative Society Limited	**0.50**	0.50
	5,591.31	5,591.81
CURRENT		
NON TRADE (FULLY PAID)		
UNQUOTED		
Units of "UTI Balanced Fund - Dividend Plan - Reinvestment" # (Face Value of Rs 10/- each)		
138,469 (132,191) Units as at the beginning of the year	**1.59**	1.50
Add: 8,783 (6,278) Units on reinvestment of dividend during the year	**0.21**	0.09
147,252 (138,469) Units as ot the close of the year	**1.80**	1.59
	5,593.47	5,593.76

Cost / Book value of quoted Investments (Net of provision for diminution/reduction in the value of Investments)	0.36	0.36
Market Value of quoted Investments	0.85	0.87
# Repurchase price of units	3.37	3.09

* The Investment in 104,163,019 Non Cumulative Redeemable Preference Shares of US $ 1 each in Apollo (Mauritius) Holdings Pvt. Ltd. has been converted into an equivalent number of equity shares of US $ 1 each on 14th March 2011.

** The associate companies Apollo Radial Tyres Ltd. & Apollo Automotive Tyres Ltd. have been dissolved during the year (Note B-21(g))

SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
Inventories: @				
(Lower of Cost (net of allowances) and estimated Net Realisable Value)				
Raw Materials		**4,035.00**		2,397.03
Stores and Spares		**445.48**		334.54
Work-in-Process		**568.56**		415.19
Finished Goods		**6,314.30**		2,380.52
		11,363.34		5,527.28
Sundry Debtors - Unsecured				
Outstanding for a period exceeding six months:				
Considered Good		**12.22**		12.85
Considered Doubtful		**41.53**		46.78
Others - Considered Good*		**2,030.58**		1,362.58
		2,084.33		1,422.21
Less: Provision for Doubtful Debts		**41.53**		46.78
		2,042.80		1,375.43
Cash and Bank Balances				
Cash on hand		**3.81**		3.28
Cheques on hand		**569.11**		711.25
Remittances in Transit		**210.11**		319.76
With Scheduled Banks :				
Current Accounts**		**526.09**		875.93
Unpaid Dividend Account		**27.40**		24.13
Deposit Accounts***		**76.11**		653.93
		1,412.63		2,588.28
Other Current Assets				
Interest Accrued on Loans / Deposits		-		44.18
		0.00		44.18
* Includes due from Sub-Subsidiary Companies:				
Apollo Vredestein B.V.	62.18		0.24	
Apollo Tyres South Africa (Pty) Ltd.	5.09	**67.27**	-	0.24
** Includes Balance in Account maintained in Foreign Currency		**55.15**		-
***Includes Rs 73.30 Millions (Rs 99.52 Millions) pledged with a bank against which working capital loan has been availed by Apollo Finance Ltd, an associate company				
@ Includes stock in transit of Finished Goods		**938.90**		354.64

SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES (Contd.)

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
LOANS AND ADVANCES - UNSECURED				
(Considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good*		**3,073.19**		2,667.88
Considered Doubtful		**45.43**		8.00
		3,118.62		2,675.88
Less: Provision for Doubtful Advances		**45.43**		8.00
		3,073.19		2,667.88
MAT Credit Entitlement (Note B-5)		**315.93**		-
Balance with Customs, Port Trust etc.		**0.18**		0.07
		3,389.30		2,667.95
		18,208.07		12,203.12
* Includes dues from Sub-Subsidiary Companies				
Apollo Tyres South Africa (Pty) Ltd.	45.95		30.22	
Apollo Tyres A.G., Switzerland	0.10		-	
Apollo Tyres (Nigeria) Ltd.	0.05		0.05	
Apollo Tyres Middle East FZE.	0.06	**46.16**	-	30.27

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
CURRENT LIABILITIES				
Acceptances		**2,091.01**		1,015.36
Sundry Creditors:				
Dues to Micro Enterprises & Small Enterprises (Note B-6)		**76.57**		49.80
Others*		**7,960.24**		5,759.00
** Investor Education and Protection Fund shall be credited by the following amounts whenever due:-				
Unpaid Matured Deposits		**1.21**		1.21
Interest on Unpaid Matured Deposits		**0.10**		0.10
Unpaid Dividend		**27.40**		24.13
Interest accrued but not due on Loans		**133.95**		55.00
		10,290.48		6,904.60
PROVISIONS				
Proposed Dividend on Equity Shares		**252.01**		378.02
Dividend Tax		**40.88**		62.78
Provision for Taxation	**5,788.17**		5,255.49	
Less: Advance Tax	**5,427.37**	**360.80**	5,217.02	38.47
Provision for Wealth Tax		**10.50**		6.00
Provision for Sales related obligations (Note B-18)		**1,020.11**		1,078.08
Provision for Gratuity, Leave Encashment & Superannuation		**244.78**		221.53
		1,929.08		1,784.88
		12,219.56		8,689.48
* Includes due to Sub-Subsidiary Companies				
Apollo Tyres GmbH	-		4.53	
Apollo Tyres South Africa (Pty) Ltd.	5.97		-	
Vredestein GmbH	14.69		-	
Apollo Vredestein B.V.	56.94	**77.60**	8.50	13.03

** - There are no amounts due and outstanding as at Balance Sheet Date to be credited to the Investor Education & Protection Fund.
- Other unpaid amounts represent warrants/cheques issued to the Debentureholders/Depositors/Shareholders, as the case may be, which remain unpresented to the bankers as on March 31, 2011.

SCHEDULE 8 - OTHER INCOME

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
Income from Investments		
Dividend from Subsidiary	**44.98**	-
Dividend from Trade Investments	**0.02**	0.02
Dividend from Unit Trust of India	**0.21**	0.09
	45.21	0.11
Unclaimed Credit Balances/Provisions no longer required written back	**43.61**	1.05
Interest on Income Tax Refund	**2.16**	97.97
Profit on Sale of Assets (Net)	**149.97**	-
Sale of Brand Rights (Note B-21)	**11.06**	-
Miscellaneous Receipts*	**14.90**	12.70
	266.91	111.83

*Tax Deducted at Source Rs 0.52 Million (Rs 0.74 Million).

SCHEDULE 9 - MANUFACTURING AND OTHER EXPENSES

		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
MATERIALS				
Raw Materials Consumed[1]		**40,941.12**		30,579.03
Less: Scrap Recoveries (Net of Excise Duty)		**244.92**		129.36
		40,696.20		30,449.67
Purchase of Finished Goods		**1,594.62**		1,516.83
EMPLOYEES				
Salaries, Wages and Bonus[2]		**2,483.26**		2,374.33
Contribution to Provident and Other Funds		**172.11**		144.35
Welfare expenses		**413.08**		376.07
MANUFACTURING, ADMINISTRATIVE AND SELLING				
Consumption of stores and spare parts[3]		**377.07**		343.67
Power and Fuel[4]		**1,790.22**		1,634.70
Conversion Charges		**792.12**		711.41
Repairs and Maintenance				
- Machinery		**101.53**		72.77
- Buildings		**25.68**		27.17
- Others		**293.04**		183.17
Rent[5]		**178.63**		134.78
Lease Rent - Factory		**400.00**		250.00
Insurance		**70.29**		53.22
Rates and Taxes		**125.48**		90.93
Directors' Sitting Fees		**0.80**		0.90
Loss on Sale of Assets (Net)		**-**		39.29
Loss on Sale of Investment		**0.50**		-
Diminution in the value of Investments		**-**		40.72
Travelling, Conveyance and Vehicle Expenses		**545.29**		454.74
Postage, Telex, Telephone and Stationery		**86.34**		80.63
Freight & Forwarding		**1,177.66**		1,124.41
Commission to Selling Agents		**42.21**		40.78
Sales Promotion Expenses		**656.75**		1,131.21
Advertisement & Publicity		**331.28**		410.29
Research and Development		**291.05**		229.27
Bank Charges		**69.42**		73.72
Provision for Doubtful Advances		**37.43**		8.00
Bad Debts/Advances Written off	**5.25**		42.69	
Less: Transferred from Provision	**5.25**	**-**	41.12	1.57
Legal & Professional Expenses		**106.24**		262.09
Miscellaneous Expenses[6]		**458.11**		494.28
		53,316.41		42,754.97

Notes:

1. Net of Foreign Exchange Fluctuation Gain of **Rs 171.77 Million** (Rs 110.29 Million).
2. Includes VRS payments amortized during the year **Nil** (Rs 1.68 Million).
3. Stores & Spares Consumed includes stores issued for repairs **Rs 6.23 Million** (Rs 1.70 Million).
4. Power and Fuel includes Stores Consumed **Rs 602.74 Million** (Rs 698.72 Million)
5. Net of Rent Received **Rs 9.88 Million**, TDS **Rs 0.97 Million** (Rs 13.68 Million, TDS - Rs 2.19 Million).
6. Including Foreign Exchange Fluctuation Loss of **Rs 19.48 Million** (Net of Gain Rs 57.92 Million).

SCHEDULE 10- INCREASE IN WORK IN PROCESS AND FINISHED GOODS

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
OPENING STOCK		
Work in Process	**415.19**	289.25
Finished Goods	**2,380.52**	2,244.72
	2795.71	2,533.97
Less:		
CLOSING STOCK		
Work in Process	**568.56**	415.19
Finished Goods	**6,314.30**	2,380.52
	6,882.86	2,795.71
Increase in Work in Process and Finished Goods	**(4,087.15)**	(261.74)
Excise Duty on Increase of Finished Goods (Note B - 7)	**340.57**	34.98
	(3,746.58)	(226.76)

SCHEDULE 11 - INTEREST

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
Fixed Loans*	**578.47**	235.05
Debentures	**183.27**	144.14
Others#	**731.18**	360.27
	1,492.92	739.46

* Net of Foreign Exchange Fluctuation Gain of **Rs 42.09 Million** (Including Loss of Rs 9.81 Million)
# Net of Interest Earned **Rs 24.22 Million** (Rs 72.19 Million) including:
Interest Earned on Deposits **Rs 18.30 Million** (Rs 64.27 Million)
Interest Earned on Trade Balances **Rs 2.77 Million** (Rs 3.09 Million)
Interest Earned - Others **Rs 3.15 Million** (Rs 4.83 Million)
Tax Deducted at source on Interest Earned **Rs 3.30 Million** (Rs 7.87 Million)

SCHEDULE 12 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. **A. BASIS OF ACCOUNTING**

The financial statements are prepared on historical cost convention, with the exception of certain fixed assets which were re-valued, based on accrual method of accounting and in accordance with the accounting principles generally accepted in India. They comply with the mandatory accounting standards notified by the Central Government of India and with the relevant provisions of the Companies Act, 1956.

B. USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances, allowance for slow and non-moving inventories, useful lives of fixed assets, provision for warranty and sales related obligations and provision for taxation etc. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognized in the period in which the results are known/materialized.

2. **FIXED ASSETS**

(a) Fixed assets are stated at cost ,as adjusted by revaluation of certain land, buildings, plant and machineries based on the then replacement cost as determined by approved independent valuer in 1986 and 1987, less depreciation.

(b) All costs relating to the acquisition and installation of fixed assets (net of Cenvat /VAT credits wherever applicable) are capitalized and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.(Also refer accounting policy No. 4 on Borrowing Costs.) Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized.

(c) Fixed assets taken on finance lease are capitalized and depreciation is provided on such assets, while the interest is charged to the profit and loss account.

3. **DEPRECIATION**

Depreciation on fixed assets is provided using straight line method at the rates specified in Schedule XIV of the Companies Act 1956, except for certain vehicles and other equipments for which the depreciation is provided at 30% and 16.67% respectively .Certain plant and machinery are classified as continuous process plants based on technical evaluation by the management and are depreciated at the applicable rates.

Additional depreciation consequent to the enhancement in the value of fixed assets on the revaluation is adjusted in the fixed assets revaluation reserve account.

Leasehold land/Improvements thereon are amortized over the primary period of lease.

In respect of fixed assets whose useful life has been revised, the unamortized depreciable amount is charged over the revised remaining useful life.

4. **BORROWING COSTS**

Borrowing costs are capitalized as a part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

5. **IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre tax weighted average cost of capital.

6. **INTANGIBLE ASSETS**

The expenditure incurred by the Company on acquisition and implementation of software systems/development costs up to the stage when the new product reaches technical feasibility, has been recognized as an intangible asset and is amortized over a period of five years based on its estimated useful life.

7. **INVESTMENTS**

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

8. **INVENTORIES**

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances). The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in process, incurred in bringing such inventories to their present location and condition.

In case of raw materials, stores & spares and traded goods, cost (net of CENVAT/VAT credits wherever applicable) is determined on a moving weighted average basis, and, in case of work in process and finished goods, cost is determined on a First In First Out basis.

9. **FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are 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 year-end. Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the profit & loss account.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast) or similar instrument is amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the profit and loss account in the year in which the exchange rates change.

Exchange difference arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation has been accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of net investment, at which time they would be recognized as income or as expense.

10. **REVENUE RECOGNITION**

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer. Gross sales are inclusive of excise duty and are net of trade discounts/sales returns/VAT.
Dividend income on investments is accounted for when the right to receive the payment is established.
Interest Income is recognized on time proportion basis.

11. **EXPORT INCENTIVES**

Export Incentives in the form of advance licences/credits earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realizable value/actual credit earned on exports made during the year and are credited to the raw material consumption account.

12. **EMPLOYEE BENEFITS**

Liability for gratuity to employees determined on the basis of actuarial valuation as on balance sheet date is funded with the Life Insurance Corporation of India and is recognized as an expense in the year incurred.

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Contributions to defined contribution schemes such as provident fund, employees' pension fund and superannuation fund and cost of other benefits are recognized as an expense in the year incurred.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in the profit & loss account as income or expense.

Phantom Stock Plan

Accounting value of stock appreciation rights (Phantom stock units) granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) is recognized based on intrinsic value method. Intrinsic value of the phantom stock unit is determined as excess of closing market price on the reporting date over the exercise price of the unit and is charged as employee benefit over the vesting period in accordance with "Guidance Note on Accounting for Employee Share-based payments" issued by Institute of Chartered Accountants of India.

13. **TAXES ON INCOME**

Current tax is determined on the income for the year chargeable to tax in accordance with the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

14. **MAT CREDIT ENTITLEMENT**

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent that there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

15. **OPERATING LEASES**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the revenue account as per the lease terms.

16. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past events; 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. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B. NOTES ON ACCOUNTS:

1. **Contingent Liabilities**

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Sales Tax	**94.61**	108.24
Income Tax-Disputed Demands under Appeal	**-**	-
Claims not acknowledged as debts – Employee Related	**23.90**	21.54
– Property Disputes	**2.60**	2.60
– Others	**8.83**	5.83
Provision of Security (Bank Deposits pledged with a Bank against which working capital loan has been availed by Apollo Finance Ltd, an Associate Company)	**73.30**	99.52
Guarantee given by Company for the loan taken by Sub-Subsidiary Companies	**2,570.40**	673.50
Guarantees given by bankers on behalf of the Company	**528.00**	497.66
Custom Duty	**23.50**	23.50
Excise Duty*	**177.30**	56.34
Irrevocable Letters of Credit	**2,916.73**	3,865.72

* Excludes demand of **Rs 532.12 Million** (Rs 532.12 Million) raised on one of the Company's units relating to issues which have been decided by the Appellate Authority in Company's favour in appeals pertaining to another unit of the Company. Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March, 2011 is **Rs 4,076.59 Million** (Rs 8,323.09 Million).

3. **Lock Out at Perambra Plant**

A Lock out was declared at Company's manufacturing facility at Perambra in the state of Kerala on 11th June 2010. The same was lifted on 21st August 2010 after signing of the Long Term Settlement Agreement with the workers.

4. **Status of Chennai Project**

The first phase of passenger car vehicle segment of the Chennai project had commenced operations from 11th March 2010 and the Truck/Bus radial segment had commenced operations from 11th May 2010. The construction of the second and third phase of the project to enhance the production capacities of the passenger car and Truck/Bus radial tyres has started in the current financial year.

5. **MAT Credit Entitlement**

In view of the consistent profits over the years and also considering the future profit projections, the management believes that there is convincing evidence with regard to the earning of future taxable income and payment of tax under normal tax within the specified period. Accordingly, MAT Credit Entitlement of **Rs 315.93 Million** has been recognized during the year.

6. Based on and to the extent of information received from the Suppliers by the Company, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at March 31, 2011 are furnished below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Principal amount unpaid as at year-end	**66.60**	42.93
Amount paid after appointed date during the year	**157.96**	75.94
Amount of interest accrued and unpaid as at year-end	**9.97**	6.87

7. Excise duty relating to sales has been disclosed as a reduction from turnover. Excise duty related to difference between the closing stock and opening stock has been disclosed in Schedule 10 "Increase in Work in Process and Finished Goods".

8. Borrowing costs capitalized/transferred to capital work in progress during the year is **Rs 251.28 Million** (Rs 257.42 Million). This includes **Rs 69.90 Million** (Rs 31.57 Million) towards loan processing fees and **Rs 14.71 Million** (Rs 15.44 Million) towards Bank Charges.

9. Research and development comprises of the following:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
(A) Revenue Expenditure		
Salary, Wages & Other Benefits	**128.35**	70.73
Travelling & Conveyance	**12.87**	9.77
Others	**149.83**	148.77
SUB-TOTAL	**291.05**	229.27
(B) Capital Expenditure	**29.53**	-
TOTAL (A+B)	**320.58**	229.27

10. Deferred revenue expenditure:

Payment Under Voluntary Retirement Scheme	2010-11 Rs Million	2009-10 Rs Million
Opening Balance	-	1.51
Add: Payment during the year	-	0.17
Less: Amortised during the year	-	1.68
Closing Balance	-	-

11. (A) Computation of profit for managerial remuneration:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Net Profit as per Profit & Loss Account	1,982.53	4,149.88
Add: Provision for Tax	652.95	1,832.07
Remuneration to Managing/Wholetime Directors	246.72	404.12
Commission to Non-Whole Time Directors	10.00	10.00
Sitting Fees to Directors	0.80	0.90
Provision for Doubtful Advances	37.43	8.00
Write off/Diminution in the Value of investments	0.50	40.72
Mark to Market Losses on Derivative Contracts	0.03	3.89
Less: Profit on Sale of Assets	(97.83)	-
Profit on Sale of Brand Rights	(11.06)	-
Interest on income tax refund	(2.16)	(97.97)
Net Profit	2,819.91	6,351.61
1% Commission to Non-Wholetime Directors as per section 309(4) of the Companies Act, 1956	28.20	63.52
Commission paid to Non-Wholetime Directors restricted to (Included under Miscellaneous Expenses)	10.00	10.00

(B) Remuneration to Managing/Whole-time Directors included under Employees Expenses:

i) Remuneration to Managing Directors:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Salary	**50.40**	43.01
Commission	**75.00**	246.50
Contribution to P.F./Superannuation Funds/Gratuity*	**19.02**	32.42
Monetary Value of Perquisites	**72.63**	58.27
TOTAL	**217.05**	380.20

ii) Remuneration to Whole-time Directors

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Salary	**6.46**	5.60
Commission/Performance Bonus	**8.12**	8.10
Contribution to P.F./Superannuation Funds/Gratuity*	**2.54**	2.09
Monetary Value of Perquisites	**12.55**	8.13
TOTAL	**29.67**	23.92
TOTAL (i + ii)	**246.72**	404.12

*The figures given above do not include provisions for compensated absences as separate actuarial valuations are not available.

12. Statutory Auditors' Remuneration included under Miscellaneous Expenses

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
For Audit	**4.50**	3.50
For Certification & Other Service	**3.99**	2.38
Reimbursement of expenses	**0.23**	0.25
TOTAL	**8.72**	6.13

13. (A) Capacities and Production:

PARTICULARS	UNIT	INSTALLED CAPACITY* PER ANNUM		PRODUCTION @	
		2010-11	2009-10	2010-11	2009-10
Automobile Tyres	No.	**15,260,280**	13,153,934	**12,311,542**	10,528,299
Automobile Tubes	No.			**7,390,015**	8,177,119
Automobile Flaps	No.			**4,294,937**	4,523,482
Others		**344,256**	344,256	**280,941**	202,066

* As certified by Management (Includes capacity under Lease agreement)

@ Includes Production under Lease Arrangement and purchases/conversion of Finished Goods by Conversion Agents as per details given hereunder: -

PARTICULARS	2010-11 Nos.	2009-10 Nos.
Tyres	**275,238**	283,981
Tubes	**7,390,015**	8,177,119
Flaps	**4,294,937**	4,523,482
Others	**280,941**	202,066

(B) Turnover and stock of Finished goods

PARTICULARS	Unit	Opening Stock		Turnover*		Closing Stock	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Automobile Tyres	No.	**571,147**	633,101	**11,582,504**	10,590,253	**1,300,185**	571,147
	Rs Million	**1,828.61**	1,857.84	**53,587.43**	48,310.54	**5,392.28**	1,828.61
Automobile Tubes	No.	**1,020,404**	969,381	**7,233,196**	8,126,096	**1,177,223**	1,020,404
	Rs Million	**412.52**	287.33	**4,850.30**	4,648.08	**644.26**	412.52
Automobile Flaps	No.	**314,135**	313,958	**4,044,176**	4,523,305	**564,896**	314,135
	Rs Million	**61.00**	57.45	**1,120.07**	1,037.53	**146.26**	61.00
Other	No.	**50,896**	27,125	**258,048**	178,295	**73,789**	50,896
	Rs Million	**78.39**	42.10	**451.76**	260.23	**131.50**	78.39
TOTAL	Rs Million	**2,380.52**	2,244.72	**60,009.56**	54,256.38	**6,314.30**	2,380.52

*Includes quantities relating to claims and own consumption.

(C) Raw Materials Consumed

PARTICULARS	2010-11		2009-10	
	Tonnes	Rs Million	Tonnes	Rs Million
Fabric	**24,337.67**	**5,187.19**	29,971.98	5,316.18
Rubber	**154,182.81**	**26,110.64**	161,008.84	17,124.96
Chemicals	**26,797.49**	**2,557.66**	25,802.94	2,348.81
Carbon Black	**78,187.03**	**4,289.10**	78,388.82	3,698.15
Others		**2,796.53**		2,090.93
		40,941.12		30,579.03

(D) Break-up of Consumption

PARTICULARS	2010-11		2009-10	
	%	Rs Million	%	Rs Million
Raw Material – Imported	**44.13%**	**18,066.95**	38.85%	11,879.18
- Indigenous	**55.87%**	**22,874.17**	61.15%	18,699.85
	100.00%	**40,941.12**	100.00%	30,579.03
Stores & Spares - Imported	**7.66%**	**28.88**	5.94%	20.40
- Indigenous	**92.34%**	**348.19**	94.06%	323.27
	100.00%	**377.07**	100.00%	343.67

(E) C.I.F. Value of Imports

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Raw Material	**18,352.88**	12,426.54
Stores & Spares	**42.76**	78.20
Capital Goods	**3,464.70**	3,666.40

(F) Expenditure in Foreign Currency (Remitted) :
(Excluding value of imports)

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Interest	**340.84**	185.89
Dividend for the year 2010-11 (2009-10)*	**1.48**	14.48
Others	**204.75**	182.24

*Number of non-resident Shareholders - **3** (4), Number of Shares held by Non resident Shareholders - **1,979,000** (32,186,532).

14. Earnings in Foreign Exchange:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
FOB Value of Exports	**4,846.78**	3,135.72
FOB Value of Sale of Fixed Assets	**-**	2.52
Cross Charge of Management Expenses recovered from Sub-Subsidiary Companies	**14.92**	19.21

15. Directly attributable expenses capitalised/included in capital work in progress during the year:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Raw Material Consumed	**106.99**	33.86
Salaries, Wages and Bonus	**51.19**	114.98
Contribution to Provident and Other Funds	**3.82**	5.97
Welfare Expenses	**22.88**	26.12
Rent	**3.10**	4.10
Travelling, Conveyance and Vehicle expenses	**18.64**	17.27
Postage, Telex, Telephone and Stationery	**0.41**	1.57
Power and Fuel	**7.26**	38.21
Insurance	**0.51**	8.69
Legal & Professional Expenses	**9.50**	-
Miscellaneous Expenses	**35.38**	19.01
Total*	**259.68**	269.78

*Out of the above **Rs 11.73 Million** (Rs 4.40 Million) is included in capital work in progress as on March 31, 2011.

16A **Employee Benefits**

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 at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following table summarizes the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan:

Profit and Loss Account:

Net employee benefit expenses (recognised in employee cost)

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Current service cost	**32.25**	27.67
Interest Cost on Benefit Obligation	**33.58**	29.48
Expected return on plan assets	**(34.19)**	(29.39)
Net actuarial loss recognized in the year	**50.27**	24.98
Net benefit expense	**81.91**	52.74

Balance Sheet:

Net Asset/(Liability) recognised in the Balance Sheet including experience adjustment impact

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million	2008-09 Rs Million	2007-08 Rs Million	2006-07 Rs Million
Present value of defined benefit obligation at the end of the year	**519.73**	447.74	393.04	339.69	298.35
Fair value of plan assets at the end of the year	**437.82**	361.79	311.03	248.14	213.12
Asset/(Liability) recognized in the balance sheet	**(81.91)**	(85.95)	(82.01)	(91.55)	(85.23)
Experience Adjustment of obligation - (Gain)/Loss *	**51.03**	27.67	22.31	-	-
Experience Adjustment of plan assets - Gain/(Loss) *	**2.36**	1.21	1.92	-	-

* Details disclosed to the extent information provided by the actuary.

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Present value of obligations as at the beginning of the year	**447.74**	393.04
Interest cost	**33.58**	29.48
Current service cost	**32.25**	27.68
Benefits paid	**(46.47)**	(28.50)
Actuarial loss on obligation	**52.63**	26.04
Present value of obligations as at the end of the year	**519.73**	447.74

Changes in the fair value of plan assets are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Fair value of plan assets at beginning of the year	**361.79**	311.03
Expected return on plan assets	**34.19**	29.39
Contributions	**85.95**	48.81
Benefits paid	**(46.47)**	(28.50)
Actuarial gain on plan assets	**2.36**	1.06
Fair value of plan assets as at the end of the year	**437.82**	361.79

The Company's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not presently ascertained.

Principal actuarial assumptions

PARTICULARS	2010-11 Rate (%)	2009-10 Rate (%)
a) Discount rate	**7.50**	7.50
b) Future salary increase*	**5.00**	5.00
c) Expected rate of return on plan assets	**9.45**	9.45

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

16B **Employees Phantom Stock Plan 2010**

a) During the year the company had announced Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) for eligible employees of the company. Under the scheme, 12 Lacs phantom stock units have been granted on April 1, 2010 by the board appointed committee and the same will vest as per the following schedule:

Percentage of Grant	Vesting Schedule
25%	On 1st anniversary of respective grant date
25%	On 2nd anniversary of respective grant date
25%	On 3rd anniversary of respective grant date
25%	On 4th anniversary of respective grant date

Pursuant to the above scheme, the eligible employees are entitled to get cash compensation upon exercise of the phantom stock unit within seven years of the vesting date

b) Details of the expense recognized during the year and outstanding phantom stock units of the company under the Phantom Stock Plan 2010 are as under:

Date of Grant	01.04.2010
Numbers Outstanding as on 31.03.2011	1,200,000
Numbers Vested as on 31.03.2011	-
Exercise Price per Phantom Stock Unit (Rs)	50
Market Price of Share on 31.03.2011 (Rs)	69.5
Fair Value Phantom Stock Unit (Rs)	35.79
Amount charged to P&L Account (Included in Schedule-9 Employee Cost)	Rs 12.17 Million
Liability as on 31.03.2011 (Included in Schedule-7 Provisions)	Rs 12.17 Million

The details of Variables used for Fair Valuation are given in the table below:

Grant date	**01-Apr-10**			
Remeasurement date	Vest1	Vest 2	Vest 3	Vest 4
31-Mar-11	01-Apr-11	01-Apr-12	01-Apr-13	01-Apr-14
Variables				
Stock Price (Rs)	69.55	69.55	69.55	69.55
Volatility	53.68%	50.12%	47.99%	45.36%
Risk-Free Rate	7.47%	7.60%	7.74%	7.86%
Exercise Price (Rs)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	3.51	4.51	5.51	6.51
Dividend yield	2.49%	2.49%	2.49%	2.49%
Fair Value per vest (Rs)	**34.46**	**35.48**	**36.41**	**36.83**
Vesting %	**25.00%**	**25.00%**	**25.00%**	**25.00%**
Option Fair Value (Rs)	**35.79**			

Phantom Stock Scheme - Proforma P&L and EPS

Had compensation cost for the Phantom Stock units granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

PARTICULARS	
Impact on Net Profit (Rs Million)	
Net Profit (As reported)	1,982.53
Add:- Cash based employee compensation expense included in net profit	12.17
Less:- Cash based compensation expense determined under fair value based method (Proforma)	22.33
Net Profit (Proforma)	1,972.37
Impact on Earnings per Share (Rs)	
Basic and Diluted Earnings per Share of Re 1 Each (As reported)	3.93
Basic and Diluted Earnings per Share of Re 1 Each (Proforma)	3.91

17. The components of Deferred Tax Liability (Net) are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Deferred Tax Liability on timing differences arising on:		
Depreciation	**2,487.62**	2,067.88
Sub Total (A)	**2,487.62**	2,067.88
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	**0.35**	0.68
Provision for Gratuity and Leave Encashment	**50.94**	54.78
Provision for Doubtful Debts/Advances	**25.62**	29.20
Others	-	8.71
Sub Total (B)	**76.91**	93.37
Net Deferred Tax Liability (A-B)	**2,410.71**	1,974.51

18. Provision for sales related obligations represents estimates for payments to be made in future. Major portion of the these costs is estimated to be paid in the next financial year and will be paid within a maximum of 3 years from the balance sheet date.

Rs Million

Opening Balance as at 01.04.2010	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at 31.03.2011
1,078.08	**1,501.27**	**1,559.24**	**1,020.11**

19. The following forward exchange contracts entered into by the Company are outstanding as on March 31, 2011:

Currency	Amount	Buy/Sell	Cross Currency
US Dollar	**16,500,448**	**Buy**	**Rupees**
EURO	**2,223,950**	**Buy**	**Rupees**
2009-10			
US Dollar	3,251,613	Buy	Rupees
EURO	2,000,000	Buy	US Dollar

The mark to market losses of **Rs 0.03 Million** (3.89 Million) relating to undesignated / ineffective forward contracts / derivatives has been recognized in the Profit and Loss Account

20. The Company's operations comprise of only one business segment – Automobile Tyres, Automobile Tubes & Automobile Flaps in the context of reporting business/geographical segment as required under mandatory accounting standards AS -17 "Segment Reporting "

The geographical segments considered for disclosure are - India and Rest of the world. All the manufacturing facilities are located in India:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
1. Revenue by Geographical Market		
India	**50,549.30**	47,333.29
Rest of the world	**4,622.47**	3,144.15
Total	**55,171.77**	50,477.44
2. Carrying Amount of Segment Assets		
India	**40,012.10**	30,416.61
Rest of the world- export Debtors	**433.91**	153.48
Total	**40,446.01**	30,570.09
3. Additions to Fixed Assets and Intangible Assets		
India	**9,311.35**	6,039.07
Rest of the world	**-**	-
Total	**9,311.35**	6,039.07

21. Disclosure of Related Party Transactions in accordance with the mandatory accounting standards AS-18 "Related Party Disclosures"

Name of the Related Parties:

PARTICULARS	2010-11	2009-10
Subsidiaries	Apollo (Mauritius) Holdings Pvt. Ltd. (AMHPL)	Apollo (Mauritius) Holdings Pvt. Ltd. (AMHPL)
	Apollo (South Africa) Holdings (Pty.) Ltd. (ASHPL) (Subsidiary through AMHPL)	Apollo (South Africa) Holdings (Pty.) Ltd. (ASHPL) (Subsidiary through AMHPL)
	Apollo Tyres South Africa (Pty.) Ltd.(ATSA) (Subsidiary through ASHPL)	Apollo Tyres South Africa (Pty.) Ltd.(ATSA) (Subsidiary through ASHPL)
	Dunlop Africa Marketing (UK) Ltd.(DAMUK) (Subsidiary through ATSA)	Dunlop Africa Marketing (UK) Ltd.(DAMUK) (Subsidiary through ATSA)
	Dunlop Zimbabwe (Pvt) Ltd. (DZL) (Subsidiary through DAMUK)	Dunlop Zimbabwe (Pvt) Ltd. (DZL) (Subsidiary through DAMUK)
	Radun Investments (Pvt.) Ltd. {Zimbabwe} (Subsidiary through DAMUK)	Radun Investments (Pvt.) Ltd. {Zimbabwe} (Subsidiary through DAMUK)
	AFS Mining (Pvt.) Ltd. {Zimbabwe} (Subsidiary through DZL)	AFS Mining (Pvt.) Ltd. {Zimbabwe} (Subsidiary through DZL)
	Pollock & Aitken (Pty.) Limited (Subsidiary through ATSA) - Note (a)	Pollock & Aitken (Pty.) Limited (Subsidiary through ATSA)
	Apollo Tyres (Cyprus) Pvt. Ltd (ATCPL) (Subsidiary through AMHPL)	Apollo Tyres (Cyprus) Pvt. Ltd (ATCPL) (Subsidiary through AMHPL)
	Apollo Tyres AG, (AT AG) {Switzerland} (Subsidiary through ATCPL)	Apollo Tyres AG, (AT AG) {Switzerland} (Subsidiary through ATCPL)
	Ceased to exist during the year - Note (b)	Apollo Tyres Zrt.(AT ZRT), Hungary (Subsidiary through AT AG)
	Ceased to exist during the year - Note (c)	Apollo Tyres Pte Ltd., (AT PL) {Singapore} (Subsidiary through AMHPL)
	Apollo Tyres Middle East FZE (Subsidiary through AMHPL) - Note (d)	NA
	Apollo Tyres Holdings (Singapore) Pte. Ltd., (ATHS) (Subsidiary through AMHPL) - Note (e)	NA
	KP Construction & Forestry Development Co. Ltd. (name being changed to Apollo Tyres (LAO) Co. Ltd.) (Subsidiary through ATHS) - Note(e)	NA
	Apollo Tyres (Nigeria) Ltd. (Subsidiary through AMHPL) - Note (f)	Apollo Tyres (Nigeria) Ltd. (Subsidiary through AMHPL)
	Apollo Tyres Co -operatief U.A. {Netherlands} (AT Coop) (Subsidiary through AMHPL)	Apollo Tyres Co -operatief U.A. {Netherlands} (AT Coop) (Subsidiary through AMHPL)
	Apollo Vredestein B.V., (AVBV) Netherlands (Subsidiary through AT Coop)	Apollo Vredestein B.V., (AVBV) Netherlands (Subsidiary through AT Coop)
	Subsidiaries of Apollo Vredestein B.V (AVBV):	**Subsidiaries of Apollo Vredestein B.V (AVBV):**
	Vredestein GmbH	Vredestein GmbH
	Vredestein Norge A.S.	Vredestein Norge A.S.
	Vredestein U.K. Ltd.	Vredestein U.K. Ltd.
	N.V. Vredestein S.A.	N.V. Vredestein S.A.
	Vredestein GesmbH	Vredestein GesmbH
	Vredestein Schweiz A.G.	Vredestein Schweiz A.G.
	Vredestein Dack AB	Vredestein Dack AB
	Vredestein Italia Srl	Vredestein Italia Srl
	Vredestein Iberica S.A.	Vredestein Iberica S.A.
	Vredestein Tyres North America Inc.	Vredestein Tyres North America Inc.
	Vredestein Kft	Vredestein Kft
	Vredestein R.O Srl - Note (d)	NA
	Vredestein Polska Sp. Z o.o	Vredestein Polska Sp. Z o.o
	Vredestein Bekleding	Vredestein Bekleding
	Vredestein France S.A.	Vredestein France S.A.

PARTICULARS	2010-11	2009-10
Subsidiaries (contd.)	Vredestein consulting B.V.	Vredestein consulting B.V
	Finlo B.V.	Finlo B.V.
	Vredestein Marketing B.V.	Vredestein Marketing B.V.
	Vredestein Marketing Agentur B.V. & Co. KG	Vredestein Marketing Agentur B.V. & Co. KG
Associates	Apollo International Ltd. (AIL)	Apollo International Ltd. (AIL)
	Apollo International Trading LLC, Middle East	NA
	Encorp E Services Ltd.	Encorp E Services Ltd.
	UFO Moviez India Ltd.	UFO Moviez India Ltd.
	Landmark Farms & Housing (P) Ltd.	Landmark Farms & Housing (P) Ltd.
	Sunlife Tradelinks (P) Ltd.	Sunlife Tradelinks (P) Ltd.
	Travel Tracks (P) Ltd.	Travel Tracks (P) Ltd.
	Dusk Valley Technologies Ltd.	Dusk Valley Technologies Ltd.
	Classic Auto Tubes Ltd.	Classic Auto Tubes Ltd.
	PTL Enterprises Ltd. (PTL)	PTL Enterprises Ltd. (PTL)
	Apollo Finance Ltd.	Apollo Finance Ltd.
	Artemis Medicare Services Ltd.	Artemis Medicare Services Ltd.
	Artemis Health Sciences Ltd.	Artemis Health Sciences Ltd.
	National Tyre Services Ltd., Zimbabwe	National Tyre Services Ltd., Zimbabwe
	Pressurite (Pty.) Ltd, South Africa	Pressurite (Pty) Ltd., South Africa
	PanAridus LLC, USA	NA
	Regent Properties	NA
	CLS Logistics Pvt. Ltd.	NA
	Swaranganga Consultants Pvt. Ltd.	NA
	J & S System Corporation, UK	NA
	Ceased to exist during the year - Note (g)	Apollo Automotive Tyres Ltd.
	Ceased to exist during the year - Note (g)	Apollo Radial Tyres Ltd.
Key Management Personnel	Mr O S Kanwar	Mr O S Kanwar
	Mr Neeraj Kanwar	Mr Neeraj Kanwar
	Mr U S Oberoi	Mr U S Oberoi
	Mr Sunam Sarkar	Mr Sunam Sarkar
Relatives of Key Managerial Personnel	Mr Raaja Kanwar	Mr Raaja Kanwar

Note: Related Parties and their Relationships are as identified by the management and relied upon by the Auditors.

Notes:

(a) During the year, the management decided to deregister Pollock and Atiken (Pty.) Ltd. Notice of deregistration has been received from local authorities on February 17, 2011 and the company would be deregistered on the expiry of two months from the date of publication of the notice.

(b) The management had initiated the voluntary dissolution of Apollo Tyres, Zrt during the last financial year. The dissolution process was completed during the year with effect from October 1, 2010.

(c) The management had initiated the winding up of Apollo Tyres Pte Ltd. during the last financial year. The winding-up process was completed during the year and the name of Apollo Tyres Pte Ltd. was struck off the register of companies with effect from June 4, 2010.

(d) During the year the company has incorporated a new subsidiary company named Apollo Tyres Middle East FZE for trading activity in the Middle Eastern countries of the tyres sourced from various group companies.

(e) The company acquired 95% shareholding of KP Construction & Forestry Development Co. Ltd. (name being changed to Apollo Tyres (LAO) Co. Ltd.) through newly incorporated company in Singapore, Apollo Tyres Holdings (Singapore) Pte. Ltd. (ATHS).

(f) During the year, the management decided to liquidate Apollo Tyres (Nigeria) Ltd. Liquidation process is underway and is expected to be completed during the next financial year.

(g) The associate companies Apollo Radial Tyres Ltd. & Apollo Automotive Tyres Ltd. applied for voluntary dissolution during the year. Notice pursuant to Section 560(3) of the Companies Act, 1956 has been issued by Registrar of Companies on March 10, 2011 & March 7, 2011 respectively. Consequently, the companies have been dissolved and their names struck-off from the register upon expiry of 30 days from the date of said notices.

Transactions with Related Parties:

FY 2010-11

Particulars	Subsidiaries	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million	Rs Million
Description of Transactions:				
Reimbursement of expenses Apollo International Ltd.		(0.50)		**(0.50)**
Sales to Apollo International Trading LLC, Middle East		1,150.01		**1,150.01**
Sales to ATSA –Tyres & Raw Material	15.89			**15.89**
Sales to AVBV-Tyres & Raw Material	326.72			**326.72**
Sale to CATL - Fixed Asset/Raw Material		0.79		**0.79**
Clearing Charges -CLS		234.01		**234.01**
Dividend Received - AMHPL	44.98			**44.98**
Realisation from Brand Sale- ATAG	11.06			**11.06**
Reimbursement of Expenses From ATSA - Net	(5.13)			**(5.13)**
Reimbursement of Expenses to AVBV - Net	38.69			**38.69**
Conversion of Investment in Preference Shares to Equity Shares - AMHPL	5,341.80			**5,341.80**
Reimbursement of Expenses from ATAG	0.54			**0.54**
Reimbursement of Expenses to PTL		414.85		**414.85**
Reimbursement of Expenses to Apollo Tyres Middle East FZE	0.06			**0.06**
Payment for Services to Artemis Medicare		9.84		**9.84**
Cross Charge of Expenses received from ATSA	10.86			**10.86**
Cross Charge of Expenses received from AVBV	4.06			**4.06**
Cross Charge of Expenses to AVBV	118.90			**118.90**
Reimbursement of Expenses to CATL		3.31		**3.31**
Lease Rent paid to PTL		400.00		**400.00**
Service Charges recovered from PTL		3.45		**3.45**
Managerial Remuneration			246.72	**246.72**
Conversion Charges to CATL		865.02		**865.02**
Advance paid for purchase of fixed asset to CATL		161.40		**161.40**

Particulars	Subsidiaries	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million	Rs Million
Purchase of Fixed Assets from ATSA	5.97			**5.97**
Travelling Expenses paid to Travel Tracks		136.23		**136.23**
Rent Received		0.79		**0.79**
Conference Expenses Paid to Travel Tracks		267.17		**267.17**
Interest Received - PTL		2.74		**2.74**
Rent Paid to Sun life Trade Links		21.30		**21.30**
Rent Paid to Landmark Farms		24.00		**24.00**
Rent Paid to CATL		0.12		**0.12**
Rent Paid to Regent Properties		21.60		**21.60**
Sale of Fixed Assets to Swaranganga Consultants Pvt. Ltd.		141.33		**141.33**
Total	**5,914.40**	**3,857.46**	**246.72**	**10,018.58**
Amount Outstanding Dr./(Cr.)	**35.83**	**907.84**		**943.67**
AMHPL	0.00			
ATAG	0.10			
ATSA	45.07			
ATNL	0.05			
AVBV	5.24			
Vredestein GmbH	(14.69)			
Apollo Tyres Middle East, FZE	0.06			
Bank Guarantees Given	2,570.40			
PTL –Security		260.84		
Sunlife		63.90		
CATL		151.69		
CLS		7.62		
Regent Properties		64.80		
Swaranganga Consultants Pvt. Ltd.		7.82		
Landmark Farms & Housing		72.00		
AIL		61.80		
Apollo International Trading LLC, Middle East		213.04		
Others		4.33		
Bank Deposits Pledged for Apollo Finance (Note B-1)		73.30		

Transactions with Related Parties:
FY 2009-10

Particulars	Subsidiaries	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million	Rs Million
Description of Transactions:				
Sales to AIL		982.51		982.51
Sales to ATSA –Tyres & RM	0.34			0.34
Sales to ATSA-Capital Items	2.52			2.52
Transfer of Investment in AT Coop to AMHPL	2.42			2.42
Sale of investment in Equity shares of ATAG	93.09			93.09
Convertible Loan given to ATAG	45.05			45.05
Convertible Loan refunded by ATAG	(45.05)			(45.05)
Investments made in Preference Shares of AMHPL	2,744.74			2,744.74
Reimbursement of Expenses received from ATSA - Net	(19.54)			(19.54)
Reimbursement of Expenses to AVBV - Net	8.67			8.67
Reimbursement of Expenses to PTL		351.40		351.40
Payment for Services to Artemis Medicare		10.16		10.16
Lease Rent paid to PTL		250.00		250.00
Service Charges recovered from PTL		(3.45)		(3.45)
Managerial Remuneration			404.12	404.12
Conversion Charges to CATL		636.62		636.62
Purchase from ATSA – Tyres & RM	2.33			2.33
Travelling Expenses paid to Travel Tracks		103.12		103.12
Rent Received		(1.21)		(1.21)
Conference Expenses Paid to Travel Tracks		137.18		137.18
Interest Received - PTL		(3.09)		(3.09)
Security Deposit - Received		(0.03)		(0.03)
Security Deposit- Paid		83.10		83.10
Rent Paid to Sun life Trade Links		21.30		21.30
Rent Paid to Landmark Farms		24.00		24.00
Share of R & T Expenses cross charged by AT GmbH	58.06			58.06
Total	**2,892.63**	**2,591.61**	**404.12**	**5,888.36**

Particulars	Subsidiaries	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million	Rs Million
Amount Outstanding Dr./(Cr.)	**17.48**	**507.20**		**524.68**
AVBV	(8.26)			
AT GmbH	(4.53)			
ATSA	30.22			
ATNL	0.05			
Bank Guarantee Given	673.50			
PTL –Security		250.00		
PTL- Others		17.20		
Landmark Farms & Housing		72.00		
AIL		120.43		
Others		47.57		
Bank Deposits Pledged for Apollo Finance (Note B-1)		99.52		

22. **Disclosure required by Clause 32 of the listing agreement regarding the related parties:**
Amount of Loans/Advances in the nature of loans outstanding from Subsidiaries and Associates:

Rs Million

PARTICULARS	Outstading as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
SUBSIDIARIES			
Apollo (Mauritius) Holdings Pvt. Ltd. (AMHPL)			
2010-11	-	-	-
2009-10	-	2.80	2,744.74
ASSOCIATES			
PTL Enterprises Ltd. (PTL)			
2010-11	10.84	19.30	-
2009-10	17.20	24.71	-

23. **Operating Lease**

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under those leases were **Rs 400 Million** (Rs 250 Million)

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Within one year of the balance sheet date	**400.00**	250.00
Due in a period between one year and five years	**800.00**	750.00
Due after five years	**0.00**	0.00

24. **Finance Lease - Deferred Payment Credit**

The schedule of future minimum lease payments in respect of non-cancellable Finance leases is set out below:

PARTICULARS	Total Minimum Lease Payments		Present Value of Lease Payments	
	2010-11	**2009-10**	**2010-11**	**2009-10**
Within one year of the balance sheet date	57.11	52.73	33.06	27.51
Due in a period between one year and five years	242.73	229.85	179.70	155.45
Due after Five Years	137.06	195.25	107.49	155.33
Total	**436.90**	**477.83**	**320.25**	**338.29**
Less: Future Finance Charges	(116.65)	(139.54)		
Present Value of Minimum Lease Payments	**320.25**	**338.29**		

25. **Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:**

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
a) Basic & Diluted*		
Profit attributable to the equity shareholders used as numerator (Rs Million) - (A)	**1,982.53**	4,149.88
The weighted average number of equity shares outstanding during the year used as denominator -(B)	**504,024,770**	504,024,770
Basic/Diluted earnings per share (Rs.) – (A) / (B)	**3.93**	8.23
(Face Value of Re 1 each)		

*The Company does not have any Potential Equity Shares

26. Previous Year's figures have been regrouped or rearranged wherever considered necessary to conform to the classifications for the current year. Figures in brackets relate to previous year.

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

Gurgaon
May 11, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(AS PER SCHEDULE VI, PART (iv) OF THE COMPANIES ACT, 1956)

1.	**REGISTRATION DETAILS**	
	Registration No.	2,449
	State Code	9
	Balance Sheet Date	March 31, 2011
II	**CAPITAL RAISED DURING THE YEAR** (Amount in Rs Thousands)	
	Public Issue	NIL
	Rights Issue	NIL
	Private Placement	NIL
III	**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS** (Amount in Rs Thousands)	
	Total Liabilities*	40,446,010
	Total Assets	40,446,010
	Paid-up Capital	504,090
	eserves & Surplus	18,451,510
	Secured Loans	10,933,000
	Unsecured Loans	8,146,700
	*Including Deferred Tax Liability (Net)	2,410,710
	APPLICATION OF FUNDS	
	Net Fixed Assets	28,864,030
	Investments	5,593,470
	Net Current Assets	5,988,510
	Misc. Expenditure	Nil
	Accumulated Losses	Nil
IV	**PERFORMANCE OF THE COMPANY** (Amount in Rs Thousands)	
	Turnover including Other Incomes	55,171,770
	Total Expenditure	52,536,290
	Profit Before Tax	2,635,480
	Profit After Tax	1,982,530
	Earnings Per Share – Basic (Rs)	3.93
	Earnings Per Share – Diluted (Rs)	3.93
	Dividend rate (%)	50%

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE NO. (ITC CODE)	TYRES	FLAPS	TUBES
Passenger/Jeep	40111000		40131001
Bus/Lorries	40112000	40129004	40131002
Off the Road	40119901		40139003
Tractor	40119902		40139004

Signatures to Schedules 1 to 12 which form integral part of Accounts.

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

Gurgaon
May 11, 2011

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1 NAME OF THE SUBSIDIARY	APOLLO (MAURITIUS) HOLDINGS PVT. LTD. (AMHPL)	APOLLO (SOUTH AFRICA) HOLDINGS (PTY) LTD. (ASHPL)	APOLLO TYRES SOUTH AFRICA (PTY) LTD. (ATSAPL) ****	DUNLOP AFRICA MARKETING (UNITED KINGDOM) LTD. (DAMUK)	APOLLO TYRES COOPERA-TIEF, U.A. (AT COOP)	APOLLO VREDESEIN B.V. (AVBV) *	APOLLO TYRES (CYPRUS) PVT. LTD. (AT CPL)	APOLLO TYRES AG, (AT AG)	APOLLO TYRES (NIGERIA) LTD., (AT NGR)	APOLLO TYRES HOLDINGS, (SINGAPORE) PTE LTD. (AT HS)	APOLLO TYRES MIDDLE EAST FZE (AT FZE)	K P CONSTRUCTION & FORESTRY DEVELOPMENT CO. LTD. #
2 NUMBER OF SHARES HELD IN THE SUBSIDIARY COMPANY	109,731,207 ORDINARY SHARES OF US$ 1/- FULLY PAID	414 ORDINARY SHARES OF ZAR 1 EACH FULLY PAID (SUBSIDIARY THROUGH AMHPL)	2,487,818 ORDINARY SHARES OF ZAR 0,0001 EACH FULLY PAID (SUBSIDIARY THROUGH ASHPL)	103 ORDINARY SHARES OF GBP 1 EACH FULLY PAID (SUBSIDIARY THROUGH ATSAPL)	MEMBERSHIP INTEREST FULLY PAID (SUBSIDIARY THROUGH AMHPL)	43,000 ORDINARY SHARES OF EURO 1 EACH FULLY PAID (SUBSIDIARY THROUGH AT COOP)	400 ORDINARY SHARES OF EURO 1 EACH FULLY PAID (SUBSIDIARY THROUGH AMHPL)	3,248,652 EQUITY SHARES OF CHF 1 EACH FULLY PAID (SUBSIDIARY THROUGH AT CPL)	10 MILLION ORDINARY SHARES OF NGN 1 EACH (SUBSIDIARY THROUGH AMHPL)	625000 ORDINARY SHARES OF SGD 1 EACH (SUBSIDIARY THROUGH AMHPL)	1 MILLION ORDINARY SHARE CAPITAL OF AED 1 EACH (SUBSIDIARY THROUGH AMHPL)	1425 ORDINARY SHARES OF USD 1000 EACH (SUBSIDIARY THROUGH AT HS)
3 PERCENTAGE OF HOLDING IN THE SUBSIDIARY COMPANY	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.00%
4 FINANCIAL YEAR ENDED	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
5 PROFITS/(LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF APOLLO TYRES LTD. WHICH HAVE NOT BEEN DEALT WITH IN THE ACCOUNTS OF APOLLO TYRES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011 **												
FOR THE YEAR	Rs 203.64 Million	(Rs 129.85 Million)	Rs 178.26 Million	Rs 13.90 Million	(Rs 1.55 Million)	Rs 1242.28 Million	(Rs 0.70 Million)	(Rs 29.28 Million)	(Rs 5.27 Million)	(Rs 3.58 Million)	(Rs 2.37 Million)	(Rs 0.63 Million)
FOR THE PREVIOUS FINANCIAL YEAR	Rs 160.10 Million	(Rs. 24.17 Million)	Rs 2631.32 Million	Rs 68.67 Million***	(Rs 0.29 Million)	Rs 1704.38 Million	(Rs 0.21 Million)	(Rs 54.01 Million)	(Rs 14.20 Million)	-	-	-
TOTAL ACCUMULATED UPTO THE YEAR	Rs 363.74 Million	(Rs 154.02 Million)	Rs 2809.58 Million	Rs 82.57 Million***	(Rs 1.84 Million)	Rs 2946.66 Million	(Rs 0.91 Million)	(Rs 83.29 Million)	(Rs 19.47 Million)	(Rs 3.58 Million)	(Rs 2.37 Million)	(Rs 0.63 Million)
6 THE NET AGGREGATE OF PROFITS/(LOSSES) OF THE SUBSIDIARY CO. WHICH HAVE BEEN DEALT WITHIN THE ACCOUNTS OF APOLLO TYRES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011												
FOR THE YEAR	-	-	-	-	-	-	-	-	-	-	-	-
FOR THE PREVIOUS FINANCIAL YEAR	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ACCUMULATED UPTO THE YEAR	-	-	-	-	-	-	-	-	-	-	-	-

Note: Exchange rates conversion on average rates during the year

* Including 19 subsidiaries under Apollo Vredestein B.V.

** The information in respect of 3 subsidiaries in Zimbabwe through DAMUK, which operate under severe political and economic uncertainty that significantly diminishes control or which operates under severe long term restrictions which significantly impair their ability to transfer funds to the parent company has not been disclosed.

*** Includes GBP 261,000 Special Reserve Account

**** Includes Pollock & Aitken, subsidiary under ATSAPL.

\# Name being changed to Apollo Tyres (LAO) Co. Ltd.

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman &
Managing Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

S NARAYAN
Director

apollo

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF APOLLO TYRES LTD.

1. We have audited the attached Consolidated Balance Sheet of APOLLO TYRES LTD. ("the Company"), its subsidiaries and associates (the Company, its subsidiaries and associates constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 23,292.93 million as at March 31, 2011, total revenues of Rs. 34,114.48 million and net cash outflows amounting to Rs. 24.47 million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors. The results of the subsidiaries/associate based in Zimbabwe have not been consolidated in accordance with paragraph 11 of the Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and associates, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)

sd/-

GEETHA SURYANARAYANAN
Partner
(Membership No.29519)

Place: Gurgaon
Date : May 11, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	**504.09**	504.09
Reserves and Surplus	2	**23,621.18**	19,174.15
		24,125.27	19,678.24
Minority Interest (Note - B 5)		**8.48**	-
Loan Funds:	3		
Secured		**15,783.20**	14,464.85
Unsecured		**9,018.96**	2,606.71
		24,802.16	17,071.56
Deferred Tax Liability (Net) (Note - B 13)		**3,162.01**	2,514.40
TOTAL		**52,097.92**	**39,264.20**
APPLICATION OF FUNDS :			
Fixed Assets	4		
Gross Block		**68,949.77**	55,627.95
Less : Accumulated Depreciation/Amortisation		**35,006.84**	31,202.74
Net Block		**33,942.93**	24,425.21
Capital Work in Progress (Including Capital Advances)		**5,028.26**	5,360.44
		38,971.19	29,785.65
Goodwill on Consolidation		**1,249.65**	1,175.16
Investments	5	**111.81**	58.52
Current Assets, Loans and Advances :	6		
Inventories		**17,537.51**	9,928.72
Sundry Debtors		**9,501.80**	7,869.00
Cash and Bank Balances		**1,908.86**	3,489.82
Other Current Assets		**-**	44.18
Loans and Advances		**3,947.67**	3,055.62
		32,895.84	24,387.34
Less: Current Liabilities and Provisions	7		
Current Liabilities		**17,127.32**	12,451.07
Provisions		**4,003.25**	3,691.40
		21,130.57	16,142.47
Net Current Assets		**11,765.27**	8,244.87
TOTAL		**52,097.92**	**39,264.20**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	12		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GEETHA SURYANARAYANAN
Partner

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
INCOME					
Gross Sales		93,781.88		85,098.20	
Less: Excise Duty		5,104.70	**88,677.18**	3,890.77	81,207.43
Other Income	8		**262.85**		213.74
			88,940.03		81,421.17
EXPENDITURE					
Manufacturing and Other Expenses	9		**83,634.37**		67,277.99
(Increase)/Decrease in Work in Process and Finished Goods	10		**(4,737.13)**		2,180.63
Interest	11		**1,852.06**		1,153.80
			80,749.30		70,612.42
PROFIT BEFORE DEPRECIATION & TAX			**8,190.73**		10,808.75
Depreciation			**2,719.44**		2,542.33
PROFIT BEFORE TAX			**5,471.29**		8,266.42
Provision for Tax - Current		783.46		2,183.60	
- Deferred		595.74		423.01	
- MAT Credit		(315.93)	**1,063.27**	-	2,606.61
Profit After Tax Before Exceptional Items			**4,408.02**		5,659.81
Add: Exceptional Items (Pension Fund Surplus)			-		873.73
PROFIT AFTER TAX			**4,408.02**		6,533.54
Less: Share of Loss in Associates			**6.42**		0.02
Less: Minority Interest			**(0.03)**		-
NET PROFIT FOR THE YEAR			**4,401.63**		6,533.52
ADD: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			**9,110.23**		4,080.01
ADD: Effect of dissolution of subsidiary/associates			**7.80**		-
AMOUNT AVAILABLE FOR APPROPRIATION			**13,519.66**		10,613.53
DEDUCT- APPROPRIATIONS:					
General Reserve			**1,000.00**		1,000.00
Debenture Redemption Reserve			**112.50**		62.50
Proposed Dividend			**252.01**		378.02
Dividend Tax			**40.88**		62.78
			1,405.39		1,503.30
BALANCE CARRIED TO SCHEDULE 2			**12,114.27**		9,110.23
BASIC AND DILUTED EARNINGS PER SHARE (FACE VALUE OF Re 1/- each) (Rs) (Note B -19)					
Before Exceptional Items			**8.73**		11.23
After Exceptional Items			**8.73**		12.96
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	12				

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached For **DELOITTE HASKINS & SELLS** Chartered Accountants	ONKAR S KANWAR Chairman & Managing Director	NEERAJ KANWAR Vice Chairman & Managing Director	S NARAYAN Director
GEETHA SURYANARAYANAN **Partner**			
Gurgaon **May 11, 2011**	SUNAM SARKAR Chief Financial Officer & Whole Time Director	P N WAHAL Head (Sectt. & Legal) & Company Secretary	

CONSOLIDATED CASH - FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
A. CASH FLOW FROM OPERATING ACTIVITIES				
(i) Net Profit Before Tax (including exceptional items)		**5,471.29**		9,140.13
Add: Depreciation	**2,719.44**		2,542.33	
(Profit)/Loss on Sale of Assets (Net)	**(149.58)**		39.17	
(Profit)/Loss on Sale of Investments	**(0.79)**		-	
Dividend from Trade and Non Trade Investments	**(0.23)**		5.23	
Diminution in value of investments	-		10.69	
Provision for Doubtful Debts/Advances	**37.43**		8.00	
Provision for Doubtful Debts/Advances written back	**(5.25)**		-	
Unclaimed Credit Balances/Provisions written back	**(43.61)**		(42.17)	
Deferred Revenue Expenditure Amortized	-		1.51	
Interest (Net of Interest Capitalized)	**1,852.06**		1,157.14	
Unrealised Forex Fluctuation Loss/(Gain) on Reinstatement	**60.30**		(54.70)	
Forex Fluctuation Gain on Sale of Investment	-		(8.26)	
Provision for Pension Liability	-		48.65	
Post Retirement Medical Obligation	**3.60**		6.13	
Bad Debts/Advances Written Off	**56.84**	**4,530.21**	42.29	3,756.01
(ii) Operating Profit Before Working Capital Changes		**10,001.50**		12,896.14
Add: Adjustments for				
(Increase)/Decrease in Sundry Debtors	**(1,213.31)**		(1,408.94)	
(Increase)/Decrease in Inventories	**(7,502.47)**		1,141.53	
(Increase)/Decrease in Loans and Advances	**(547.16)**		(878.43)	
(Increase)/Decrease in Trade Payables	**4,071.31**	**(5,191.63)**	3,138.22	1,992.38
(iii) Cash Generated from Operations		**4,809.87**		14,888.52
Direct Taxes Paid (Net of Refund)		**(646.82)**		(1,763.85)
(iv) Net Cash From Operating Activities		**4,163.05**		13,124.67
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Including Interest Capitalized)	**(11,187.38)**		(10,444.05)	
Proceeds from Sale of Fixed Assets	**261.66**		130.92	
Purchase of Intangible Assets	**(0.35)**		-	
Purchase of Investments	**(58.71)**		(2,441.14)	
Long Term Fixed Term Deposits Placed With Banks Matured	**27.22**		577.62	
Dividends Received	**0.23**		0.11	
Interest Received	**70.16**		35.02	
Net Cash Used in Investing Activities		**(10,887.17)**		(12,141.52)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Long Term Borrowings Received / Issue of Debentures	**3,521.48**		5,237.92	
Repayment of Long Term Borrowings	**(2,622.31)**		(4,852.08)	
Unpaid Debentures Redeemed during the Year	-		(0.85)	
Bank Overdraft/Short Term Borrowings (Net of Repayments)	**6,498.41**		350.49	
Payment of Dividends (including Dividend Tax)	**(437.67)**		(264.37)	
Interest Paid (Net of Interest Received and Interest Capitalized)	**(1,801.48)**		(1,272.44)	
Net Cash Flow From Financing Activities		**5,158.43**		(801.33)
Forex Fluctuation Difference arising out of Consolidation		**11.95**		44.37
Net (Decrease)/Increase in Cash & Cash Equivalents		**(1,553.74)**		226.19
Cash & Cash Equivalents as at Beginning of the year		**3,489.82**		3,620.91
Cash & Cash Equivalents of subsidiary as at the date of acquisition		-		220.34
Less : Bank Deposits With Original Maturity over Three Months		**102.12**		679.74
Adjusted Cash & Cash Equivalents as at Beginning of the year		**3,387.70**		3,161.51
Cash & Cash Equivalents as at the end of the year		**1,908.86**		3,489.82
Less : Bank Deposits With Original Maturity over Three Months		**74.90**		102.12
Adjusted Cash & Cash Equivalents as at the end of the year		**1,833.96**		**3,387.70**

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GEETHA SURYANARAYANAN
Partner

Gurgaon
May 11, 2011

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

SCHEDULES TO CONSOLIDATED ACCOUNTS
ANNEXED TO THE ACCOUNTS
SCHEDULE 1 - SHARE CAPITAL

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
AUTHORISED		
730,000,000 Nos. (730,000,000 Nos.) Equity Shares of Re 1/- each	**730.00**	730.00
200,000 Nos. (200,000 Nos.) Cumulative Redeemable Preference Shares of Rs 100/- each	**20.00**	20.00
	750.00	750.00
ISSUED, SUBSCRIBED, CALLED AND PAID UP		
504,024,770 Nos. (504,024,770 Nos.) Equity Shares of Re 1/- each	**504.02**	504.02
Add: Forfeited Shares	**0.07**	0.07
	504.09	504.09

Equity Shares of Rs 10 each have been sub-divided into ten equity shares of Re 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting held on July 26, 2007.

SCHEDULE 2 - RESERVES & SURPLUS

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
Capital Subsidy	**3.00**	3.00
Fixed Assets Revaluation Reserve	**31.22**	31.22
Share Forfeiture Rs 1,375/- (Rs 1375/-)	**-**	-
Capital Redemption Reserve	**44.40**	44.40
Debenture Redemption Reserve		
As per last Balance Sheet	125.00	62.50
Add: Transfer from Profit & Loss Account	112.50	62.50
	237.50	125.00
Securities Premium	**5,659.71**	5,659.71
Foreign Currency Translation Reserve		
As per last Balance Sheet	(789.25)	(890.01)
Movement during the year	374.29	100.76
	(414.96)	(789.25)
Cash Flow Hedge Reserve	**(55.39)**	(11.59)
General Reserve		
As per last Balance Sheet	5,001.43	4,001.43
Add: Transfer from Profit & Loss Account	1,000.00	1,000.00
	6,001.43	5,001.43
Surplus as shown in the Profit & Loss Account	**12,114.27**	9,110.23
	23,621.18	19,174.15

SCHEDULE 3 - LOANS

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
SECURED				
Debentures				
1,250 - 11.50 % Non Convertible Debentures of Rs 10,00,000/- each		**1,250.00**		1,250.00
1,000 - 9.40 % Non Convertible Debentures of Rs 10,00,000/ each		**1,000.00**		-
		2,250.00		1,250.00
Term Loans				
From International Finance Corporation				
- Foreign Currency Loan A	**684.07**		35.73	
- Foreign Currency Loan B	**451.10**		53.58	
- Rupee Loan	**-**	**1,135.17**	107.17	196.48
From Banks:				
External Commercial Borrowings:				
- ECB from BNP Paribas, Singapore		**549.56**		732.75
- ECB I from Standard Chartered Bank, Singapore		**667.34**		934.27
- ECB II from Standard Chartered Bank, Singapore		**933.30**		933.30
- ECB from HSBC, Mauritius		**924.40**		-
Others:				
- Buyers Credit from Standard Chartered Bank		**466.64**		415.42
- Industrial Development Bank of India		**710.00**		1,460.00
- ICICI Bank		**500.00**		-
- Dhanalakshmi Bank		**500.00**		500.00
- Yes Bank		**1,000.00**		1,000.00
- ICICI Bank, South Africa		**263.51**		565.54
- State Bank of India, South Africa		**809.75**		851.75
- ING, Netherlands		**-**		1,831.44
- Standard Chartered Bank, Netherlands		**1,536.14**		-
- ABN AMRO, Netherlands		**768.07**		1,831.44
- RABO BANK, Netherlands		**768.07**		-
From Institutions :				
- Bharat Earthmovers Ltd. (BEML)		**742.41**		816.10
Other Loans:				
- Banks - Cash Credit		**213.96**		144.36
- Banks - Overdraft		**622.86**		623.16
- Deferred Payment Credit		**320.25**		338.29
- Sales Tax Loan		**19.97**		38.49
- Other loan , Netherlands		**81.80**		2.06
		13,533.20		13,214.85
		15,783.20		14,464.85
UNSECURED				
- Commercial Paper		**1,050.00**		1,250.00
- Buyers Credit from Deutsche Bank		**836.15**		20.16
- Short term Loans - From Banks		**7,071.09**		1,300.00
- From Others		**61.72**		36.55
		9,018.96		2,606.71

Secured Loans include **Rs 3,055.97 Million** (Rs 5,221.90 Million) repayable within one year.
Unsecured Loans include **Rs 9,018.96 Million** (Rs 2,606.71 Million) repayable within one year.

NOTES: SECURED LOANS

1. **Loan-A from International Finance Corporation is secured by :**
   - A pari passu first charge along with other lenders on the company's land at Perambara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at Village Limda in Gujarat together with the Factory Buildings, Plant and Machinery and Equipments, both present and future.
   - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank (ECB-I) and HSBC Bank (Mauritius) Ltd. on the current assets of the company.

2. **Loan-B from International Finance Corporation is secured by :**
   - A pari passu first charge along with other lenders on the company's land at Perambara in Kerala, at Oragadam and Mathur village in Tamil Nadu and at Village Limda in Gujarat together with the Factory Buildings, Plant and Machinery and Equipments, both present and future.
   - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank (ECB-I) and HSBC Bank (Mauritius) Ltd. on the current assets of the company.

3. **Loan from BNP Paribas is secured by:**
   - A pari passu first charge along with other lenders by way of mortgage on the company's land at village Limda in Gujarat, at Perambara in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments, both present and future.
   - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

4. **ECB - I from Standard Chartered Bank is secured by:**
   - A pari passu first charge along with other lenders by way of mortgage on the company's land at village Limda in Gujarat, at Perambara in Kerala and at Oragadam and Mathur village in Tamil Nadu together with the factory Building, Plant and Machinery and equipments, both present and future.
   - A pari passu first charge on the movable assets and pari passu second charge along with Loan from International Finance Corporation and HSBC Bank (Mauritius) Ltd. on the current assets of the company.

5. **ECB - II from Standard Chartered Bank is secured by:**
   - A pari passu first charge along with other lenders by way of mortgage on the company's land at Perambara in Kerala, Village Limda in Gujarat and Oragadam and Mathur village in Tamil Nadu together with the factory Building, Plant and Machinery and equipments both present and future.
   - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

6. **Loan from BEML is secured by**:
   - A charge to be created by way of hypothecation on the assets at Village Limda in Gujarat acquired out of the proceeds of loan taken from BEML.

7. **1,250 11.50% Secured Redeemable Non-Convertible Debentures of Rs 1 million each aggregating to Rs 1,250 million subscribed by Life Insurance Corporation of India is secured by:**
   - a pari passu first charge along with other lenders created by way of mortgage on the Company's Land and Premises at Perambara in Kerala and at Village Limda in Gujarat together with the factory buildings, Plant and machinery and Equipments, both present and future.
   - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks & book debts).
   - Redemption in 3 equal installments on 02-02-14, 02-02-15 & 02-02-16.

8. **1000 9.40% Secured Redeemable Non-Convertible Debentures of Rs 1 million each aggregating to Rs 1,000 million subscribed by Life Insurance Corporation of India is secured by:**
   - a pari passu first charge along with other lenders created by way of mortgage on the Company's Land and Premises at Perambara in Kerala and at Village Limda in Gujarat together with the factory buildings, Plant and machinery and Equipments, both present and future.
   - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).
   - Redemption on 10-11-2017.

9. **Loan from IDBI Bank is secured by:**
   - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambara in Kerala, Village Limda in Gujarat and at Oragadam and Mathur Village in Tamil Nadu together with the Factory Buildings, Plant and Machinery and equipments, both present and future.
   - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

10. **Loan from Yes Bank is secured by:**
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambara in Kerala and at Oragadam and Mathur Village in Tamil Nadu, together with the factory Buildings, Plant and Machinery and equipments, both present and future.

- A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

11. **Loan from Standard Chartered Bank (Buyers' Credit) is secured by:**
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambara in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future.

12. **Loan from Dhanalakshmi Bank is secured by:**
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Village Limda in Gujarat, at Perambara in Kerala and at Oragadam and Mathur Village in Tamil Nadu together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

13. **Loan from ICICI Bank is secured by:**
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambara in Kerala, at Oragadam and Mathur Village in Tamil Nadu and at Village Limda in Gujarat together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge along with other lenders by way of hypothecation over the movable assets of the company, both present and future (except stocks and book debts).

14. **Loan from HSBC Bank (Mauritius) Ltd. is secured by:**
    - A pari passu first charge along with other lenders created by way of mortgage on the company's land at Perambara in Kerala, at Oragadam and Mathur Village in Tamil Nadu and at Village Limda in Gujarat together with the factory Buildings, Plant and Machinery and equipments, both present and future.
    - A pari passu first charge on the movable assets and pari passu second charge along with Loan from Standard Chartered Bank and HSBC Bank (Mauritius) Ltd. on the current assets of the company.

15. Cash Credits and Guarantees from Banks are secured by hypothecation of Raw materials, Work-in-Process, Stocks, Stores and Book Debts ranking in priority to the charge created in respect of the IFC Loan, ECB - I from Standard Chartered Bank and ECB from HSBC Bank (Mauritius) Ltd., and also by a second charge on the Company's land at Perambara in Kerala and at Oragadam and Mathur Village in Tamil Nadu, together with the Factory Buildings, Plant and Machinery and Equipments, both present and future.
16. Deferred payment credit is secured by specific assets purchased under the scheme and include **Rs 31.19 million** (Rs 27.51 million) repayable within one year.

17. The company had availed interest free Sales Tax Loan from the Gujarat State Government amounting to Rs 112.61 million. This loan is secured by a pari passu charge on the entire fixed assets of the company, both present and future situated at Village Limda in Gujarat. The said loan is repayable in six equal annual installments on the expiry of 14 years from the commencement of commercial production, 31st May, 2006. Accordingly, a sum of **Rs 18.53 million** (Rs 18.53 million) was paid during the year and **Rs 19.97 million** is repayable within one year.

18. Secured Loans include **Rs 3,055.97 million** (Rs 5,221.90 million) repayable within one year.

19. Maximum amount outstanding on Commercial papers at any time during the year is **Rs 3,250 million** (Rs 2,220 million).

20. One of the subsidiary companies has entered into an inter-creditor agreement with the security SPV namely Micawber 362 Pty Ltd, wherein security has been given to the lenders by the Security SPV. The subsidiary company, in turn, has issued counter indemnity and cession in security to the Security SPV for all amounts which may become payable to the lenders for present and future obligations. The lenders who rank as pari passu creditors of the security SPV are Standard Bank, State Bank of India and ICICI Bank Ltd.

    The security held by the Security SPV is as follows:
    - a covering mortgage bond over freehold property.
    - a collateral mortgage bond over free hold property.
    - a general notarial bond over all movable property and effects, including debtors, rights, plant, equipment and furniture and fittings.
    - a special notarial bond over certain specified assets.
    - a cession in security of the Parent company'rights, title and interest in and to a trade mark licence agreement with BTR Industries Ltd dated 30th April 1998, as amended and a trade mark assignment agreement with Dunlop International Ltd.
    - a deed of suretyship by Dunlop Africa Marketing (U.K.) Limited.
    - a letter of support by Apollo Tyres Limited (India) on behalf of Apollo Tyres South Africa (Pty) Limited.

21. One of the subsidiary companies has entered into a credit facility agreement with ABN AMRO, RABO bank and Standard Chartered Bank. The company provided securities for this debt in the form of mortgages, pledge on bank accounts, movable assets, insurances, intellectual property rights and licences.

SCHEDULE 4 - FIXED ASSETS

Rs Million

Description of Assets	GROSS BLOCK					DEPRECIATION/ AMORTIZATION		NET BLOCK	
	As at March 31, 2010	Additions	Deductions	Exchange rate Adjustment (e)	As at March 31, 2011	For the Year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	1,266.87 (b)	28.20	-	71.60	**1,366.67** (b)	4.43	**77.00**	**1,289.67**	1,198.40
Leasehold Land*	144.08	188.09	-	(1.89)	**330.28**	2.40 (a)	**7.06**	**323.22**	139.41
Buildings	7,354.68 (b)	1,945.47	43.55	182.23	**9,438.83** (b)	219.65	**2,406.58**	**7,032.25** (g)	5,254.65
Plant & Machinery**	43,042.85	8,658.78 (c)	36.65	1,689.11	**53,354.09**	2,057.98	**30,552.52**	**22,801.57**	15,809.28
Electrical Installation	772.74	291.79	-	-	**1,064.53**	40.76	**265.13**	**799.40**	548.37
Furniture Fixtures & Office Equipments	1,057.19	282.21	61.30	26.24	**1,304.34**	88.69	**637.53**	**666.81**	476.80
Vehicles	547.59	91.46	329.48	(1.09)	**308.48**	39.83	**126.39**	**182.09**	180.91
Intangible Assets	1,441.95	246.31 (c)	-	94.29	**1,782.55**	265.70	**934.63**	**847.92**	817.39
	55,627.95	**11,732.31** (d)	**470.98**	**2,060.49**	**68,949.77**	**2,719.44** (f)	**35,006.84**	**33,942.93**	**24,425.21**
Previous Year	22,840.48	35,763.45	649.57	2,326.41	**55,627.95**	2,542.33	31,202.74	**24,425.21**	14,018.73

* Leasehold Land is Net of **Rs 9.59 Million** (Rs 9.59 Million) subleased to a group company, Classic Auto Tubes Ltd. during the year 2009-10.

** Plant & Machinery includes Fixed Assets Held for Sale with a Gross Book Value of **Rs 38.52 Million** (NIL) and a Net Book Value of **Rs 24.85 Million** (NIL).

(a) Represents proportionate lease premium **Rs 2.40 Million** (Rs 1.73 Million) amortised.

(b) Includes amount added on revaluation in 1985-86 and 1986-87 - **Rs 227.41 Million** (Rs 227.41 Million).

(c) Includes **Rs 171.60 Million** (Nil) for capital expenditure on Research & Development (Note B - 8).

(d) Includes directly attributable expenses capitalized to the extent of **Rs 247.95 Million** (Rs 265.38 Million) as per Note B-10 & Borrowing Cost capitalized to the extent of **Rs 241.39 Million** (Rs 257.42 Million) (Note B-7).

(e) Represents exchange rate adjustment arising on consolidation of foreign subsidiaries due to difference in opening and closing conversion rates.

(f) Includes Additional Depreciation amounting to **Nil** (Rs 3.65 Million) charged during the year due to revision in useful life of certain class of vehicles. Includes Impairment Loss amounting to **Rs 16.30 Million** (Nil) on certain items of Plant & Machinery charged during the year.

(g) Net Block of Buildings include **Rs 4,336.91 Million** (Rs 3,321.40 Million) Buildings constructed on Leasehold Land.

SCHEDULE 5 - INVESTMENTS

		As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
LONG TERM (AT COST) :			
TRADE (FULLY PAID)			
QUOTED			
16,394 (16,394) Equity Shares of Rs 10/- each in Bharat Gears Ltd.		**0.36**	0.36
86,867,731 (86,867,731) Ordinary Shares in National Tyre Services Ltd., Zimbabwe		**35.46**	33.40
		35.82	33.76
NON TRADE (FULLY PAID)			
UNQUOTED			
5,000 (5,000) Equity Shares of Rs 100/- each in Apollo Tyres Employees' Multipurpose Co-operative Society Limited		**0.50**	0.50
500,000 (500,000) Ordinary Shares in RADUN Investment (Private) Ltd, Zimbabwe		**8.94**	8.42
NIL (24,500) Equity Shares of Rs 10/- each in Apollo Radial Tyres Ltd. *		**-**	0.16
NIL (24,500) Equity Shares of Rs 10/- each in Apollo Automotive Tyres Ltd.*		**-**	0.16
4171 (822) units of USD 382.58/- each in PanAridus LLC, USA			
Cost of Investment in PanAridus			
(Includes Rs 65.74 Million (Nil) representing Goodwill on Consolidation)	71.17		
Less: Post acquisition share of loss	6.42	**64.75**	13.93
		74.19	23.17
CURRENT:			
NON TRADE (FULLY PAID)			
UNQUOTED			
Units of "UTI Balanced Fund - Dividend Plan - Reinvestment" # (Face Value of Rs 10/- each)			
138,469 (132,191) Units as at the beginning of the year		**1.59**	1.50
Add: 8,783 (6,279) Units on reinvestment of dividend during the year		**0.21**	0.09
147,252 (138,469) Units as at the close of the year		**1.80**	1.59
		111.81	58.52
Cost/Book value of Quoted Investments (Net of provision for diminution/reduction in the Value of Investments)		**35.82**	33.76
Market Value of quoted Investments		**162.54**	47.60
# Repurchase Price of Units		**3.37**	3.09

*The associate companies Apollo Radial Tyres Ltd. & Apollo Automotive Tyres Ltd. have been dissolved during the year (Note B-17(b)).

SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
CURRENT ASSETS		
Inventories :@		
(Lower of Cost (net of allowances) and estimated Net Realisable Value)		
Raw Materials	**5,473.17**	3,115.87
Stores and Spares	**889.15**	715.36
Work-in-Process	**1,202.29**	805.46
Finished Goods	**9,972.90**	5,292.03
	17,537.51	9,928.72
Sundry Debtors - Unsecured		
Considered Good	**9,501.80**	7,869.00
Considered Doubtful	**659.81**	663.17
	10,161.61	8,532.17
Less: Provision for Doubtful Debts	**659.81**	663.17
	9,501.80	7,869.00
Cash and Bank Balances		
Cash on hand	**4.50**	3.51
Cheques on hand	**569.11**	711.25
Remittances in Transit	**210.11**	319.76
With Banks:		
Current Accounts	**1,021.63**	1,777.24
Unpaid Dividend Accounts	**27.40**	24.13
Deposit Accounts*	**76.11**	653.93
	1,908.86	3,489.82
Other Current Assets		
Interest Accrued on Loans/Deposits	**-**	44.18
	-	44.18

*Includes **Rs 73.30 Million** (Rs 99.52 Million) pledged with a bank against which working capital loan has been availed by Apollo Finance Ltd., an associate company.

@ Includes stock in transit of Finished Goods	**938.90**	354.64

SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES (Contd.)

	As at March 31, 2011 Rs Million	As at March 31, 2010 Rs Million
LOANS AND ADVANCES - UNSECURED (Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	**3,631.56**	3,055.55
Considered Doubtful	**45.43**	8.00
	3,676.99	3,063.55
Less: Provision for Doubtful Advances	**45.43**	8.00
	3,631.56	3,055.55
MAT Credit Entitlement (Note B-4)	**315.93**	-
Balance with Customs, Port Trust etc.	**0.18**	0.07
	3,947.67	3,055.62
	32,895.84	24,387.34

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

		As at March 31, 2011 Rs Million		As at March 31, 2010 Rs Million
CURRENT LIABILITIES				
Acceptances		**2,091.01**		1,015.36
Sundry Creditors:				
Dues to Micro Enterprises & Small Enterprises (Note B-6)		**76.57**		49.80
Others		**14,734.29**		11,254.82
*Investor Education and Protection Fund shall be credited by the following amounts whenever due:				
Unpaid Matured Deposits		**1.21**		1.21
Interest on Unpaid Matured Deposits		**0.10**		0.10
Unpaid Dividend		**30.04**		26.70
Derivative Financial Liabilities		**35.13**		34.15
Interest accrued but not due on Loans		**158.97**		68.93
		17,127.32		12,451.07
PROVISIONS				
Proposed Dividend on Equity Shares		**252.01**		378.02
Dividend Tax		**40.88**		62.78
Post Retirement Medical Benefits/Social Premium payable		**719.82**		455.94
Provision for Taxation	6,617.71		5,902.42	
Less: Advance Tax	5,889.24	**728.47**	5,219.03	683.39
Provision for Wealth Tax		**10.50**		4.00
Provision for Sales related obligations (Note B-14)		**1,502.72**		1,442.59
Provision for Gratuity, Leave Encashment & Superannuation		**748.85**		664.68
		4,003.25		3,691.40
		21,130.57		16,142.47

*- There are no amounts due and outstanding as at Balance Sheet Date to be credited to the Investor Education & Protection Fund.
- Other unpaid amounts represent warrants/cheques issued to the Debenture Holders/Depositors/Shareholders, as the case may be, which remain unpresented to the bankers as on March 31, 2011.

SCHEDULE 8 - OTHER INCOME

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
Income from Investments		
Dividend from Trade Investments	**0.02**	0.02
Dividend from Non-trade Investments		
Unit Trust of India	**0.21**	0.09
Others	**-**	5.96
	0.23	6.07
Profit on Sale of Assets (Net)	**149.58**	-
Profit/(Loss) on Sale of Investments	**0.97**	-
Techinical aid fees	**14.13**	-
Unclaimed Credit Balances/Provisions no longer required written back	**43.61**	1.05
Interest on Income Tax Refund	**2.16**	97.97
Miscellaneous Receipts*	**52.17**	108.65
	262.85	**213.74**

*Tax Deducted at Source **Rs 0.52 Million** (Rs 0.74 Million).

SCHEDULE 9 - MANUFACTURING & OTHER EXPENSES

		Year Ended March 31, 2011 Rs Million		Year Ended March 31, 2010 Rs Million
MATERIALS				
Raw Materials Consumed[1]		**53,207.24**		39,480.81
Less: Scrap Recoveries (Net of Excise Duty)		**258.83**		141.03
		52,948.41		39,339.78
Purchase of Finished Goods		**4,810.56**		4,287.46
EMPLOYEES				
Salaries, Wages and Bonus[2]		**10,602.60**		10,005.56
Contribution to Provident and Other Funds		**457.38**		401.77
Welfare expenses		**492.98**		477.40
MANUFACTURING, ADMINISTRATIVE AND SELLING				
Consumption of stores and spare parts[3]		**849.23**		541.43
Power and Fuel[4]		**2,588.96**		2,385.27
Conversion Charges		**792.12**		711.41
Repairs and Maintenance				
- Machinery		**743.41**		467.56
- Buildings		**47.86**		32.86
- Others		**377.68**		251.03
Rent[5]		**179.20**		136.58
Lease Rent/Service Charges		**877.65**		577.56
Insurance		**205.18**		223.94
Rates and Taxes		**156.05**		118.02
Directors' Sitting Fees		**1.30**		1.37
Loss on Sale of Assets (Net)		**-**		46.87
Travelling, Conveyance and Vehicle Expenses		**873.31**		621.21
Postage, Telex, Telephone and Stationery		**217.77**		156.68
Freight & Forwarding		**2,554.96**		2,311.70
Commission to Selling Agents		**49.18**		41.55
Sales Promotion Expenses		**655.50**		1,131.21
Advertisement & Publicity		**1,322.31**		1,189.56
Research and Development		**411.21**		331.50
Bank Charges		**102.44**		102.68
Provision for Doubtful Debts/Advances		**37.43**		8.00
Bad Debts/Advances Written off	56.84		117.92	
Less: Transferred from Provision	5.25	**51.59**	49.69	68.23
Legal & Professional Expenses		**286.73**		401.29
Miscellaneous Expenses[6]		**941.37**		908.51
		83,634.37		67,277.99

Notes:
1. Net of Foreign Exchange Fluctuation Gain of **Rs 171.77 Million** (Rs 110.29 Million).
2. Includes VRS payments amortized during the year **Nil** (Rs 1.68 Million).
3. Stores & Spares Consumed includes stores issued for repairs **Rs 6.23 Million** (Rs 1.70 Million).
4. Power and Fuel includes Stores Consumed **Rs 602.74 Million** (Rs 698.72 Million).
5. Net of Rent Received **Rs 9.88 Million**, TDS **Rs 0.97 Million** (Rs 13.68 Million, TDS - Rs 2.19 Million).
6. Net of Foreign Exchange Fluctuation Gain of **Rs 4.05 Million** (Rs 116.58 Million).

SCHEDULE 10 - (INCREASE)/DECREASE IN WORK IN PROCESS AND FINISHED GOODS

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
(Increase)/Decrease	**(5,077.70)**	2,145.65
Excise Duty on Increase/Decrease of Finished Goods	**340.57**	34.98
	(4,737.13)	2,180.63

SCHEDULE 11 - INTEREST

	Year Ended March 31, 2011 Rs Million	Year Ended March 31, 2010 Rs Million
Fixed Loans*	**692.58**	589.53
Debentures	**183.27**	144.14
Bank Overdraft	**43.58**	73.02
Others#	**932.63**	347.11
	1,852.06	1,153.80

*Net of Foreign Exchange Fluctuation Gain of **Rs 42.09 Million** (Including loss of Rs 9.81 Million).

#Net of Interest Earned **Rs 28.36 Million** (Rs 86.77 Million) including:
Interest Earned on Deposits **Rs 22.44 Million** (Rs 78.81 Million).
Interest Earned on Trade Balances **Rs 2.77 Million** (Rs 3.13 Million).
Interest Earned - Others **Rs 3.15 Million** (Rs 4.83 Million).
Tax Deducted at source on interest Earned **Rs 3.30 Million** (Rs 7.87 Million).

SCHEDULE 12 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. **A. BASIS OF ACCOUNTING**

The financial statements are prepared on historical cost convention with the exception of certain fixed assets which were revalued based on accrual method of accounting and applicable accounting standards.

B. USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances, allowance for slow and non-moving inventories, useful lives of fixed assets, provision for warranty and sales related obligations and provision for taxation etc. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognized in the period in which the results are known/materialized.

2. **PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of the consolidated financial statements as laid down in accounting standard (AS 21)" Consolidated Financial Statements".

Investment in associates is accounted for in the consolidated financial statements under the "Equity Method" as laid down in accounting standard (AS 23). Consolidated financial statements are prepared using uniform accounting policies. Goodwill on acquisition towards associate is determined based on financial position given by the management.

The excess of cost to the parent company of its investments in subsidiaries over its share of equity in the subsidiary at the date on which investment was made is recognized in the financial statements as goodwill. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.

Minority Interest in the Net Assets of the Consolidated Subsidiaries consists of:

a) The amount of Equity attributable to Minorities at the date on which the investment in the subsidiary is made; and

b) The Minorities' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Minority Interest share in the Net Profit for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit after Tax of the Group.

In respect of the foreign operations, the audited financial statements for the year ended March 31, 2011 were converted into Indian currency as per accounting standard (AS 11) "The effect of changes in Foreign Exchange Rates".

3. **BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of Apollo Tyres Ltd. (the company) and the following companies of Apollo Tyres Group.

a) Subsidiaries

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership 31.03.2011	Proportion of Ownership 31.03.2010	Remarks
Apollo (Mauritius) Holdings Pvt. Ltd. (AMHPL)	Subsidiary	Mauritius	100%	100%	
Apollo (South Africa) Holdings (Pty.) Ltd. (ASHPL)	Subsidiary through AMHPL	South Africa	100%	100%	
Apollo Tyres South Africa (Pty.) Ltd.(ATSA)	Subsidiary through ASHPL	South Africa	100%	100%	
Dunlop Africa Marketing (United Kingdom) Ltd. (DAMUK)	Subsidiary through ATSA	United Kingdom	100%	100%	
Pollock & Aitken (Pty.) Ltd.	Subsidiary through ATSA	South Africa	100%	100%	Note 1
Apollo Tyres (Cyprus) Pvt. Ltd. (ATCPL)	Subsidiary through AMHPL	Cyprus	100%	100%	

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership 31.03.2011	Proportion of Ownership 31.03.2010	Remarks
Apollo Tyres AG (AT AG)	Subsidiary through ATCPL	Switzerland	100%	100%	
Apollo Tyres Zrt (ATZRT)	Subsidiary through ATAG	Hungary	NA	100%	Note 2
Apollo Tyres Pte Ltd. (ATPL)	Subsidiary through AMHPL	Singapore	NA	100%	Note 3
Apollo Tyres Holdings (Singapore) Pte. Ltd. (ATHS)	Subsidiary through AMHPL	Singapore	100%	NA	Note 4
KP Construction & Forestry Development Co. Ltd. (name being changed to Apollo Tyres (LAO) Co. Ltd.)	Subsidiary through ATHS	Lao, PDR	95%	NA	Note 5
Apollo Tyres (Nigeria) Limited	Subsidiary through AMHPL	Nigeria	100%	100%	Note 6
Apollo Tyres Middle East FZE (ATFZE)	Subsidiary through AMHPL	Dubai	100%	NA	Note 4
Apollo Tyres Co-operatief U.A. (AT Coop)	Subsidiary through AMHPL	Netherlands	100%	100%	
Apollo Vredestein B.V. (AVBV)	Subsidiary through AT Coop	Netherlands	100%	100%	
Vredestein GmbH	Subsidiary through AVBV	Germany	100%	100%	
Vredestein Marketing Agentur B.V. & co. KG	Subsidiary through Vredestein Gmbh	Germany	100%	100%	
Vredestein Norge A.S.	Subsidiary through AVBV	Norway	100%	100%	
Vredestein U.K. Ltd.	Subsidiary through AVBV	United Kingdom	100%	100%	
N.V. Vredestein S.A.	Subsidiary through AVBV	Belgium	100%	100%	
Vredestein GesmbH	Subsidiary through AVBV	Austria	100%	100%	
Vredestein Schweiz AG	Subsidiary through AVBV	Switzerland	100%	100%	
Vredestein Dack AB	Subsidiary through AVBV	Sweden	100%	100%	
Vredestein Italia Srl	Subsidiary through AVBV	Italy	100%	100%	
Vredestein Iberica S.A.	Subsidiary through AVBV	Spain	100%	100%	
Vredestein Tyres North America Inc.	Subsidiary through AVBV	USA	100%	100%	
Vredestein Kft	Subsidiary through AVBV	Hungary	100%	100%	
Vredesetin R.O. Srl	Subsidiary through Vredestein Kft	Romania	100%	NA	Note 4
Vredestein Polska Sp. Z o.o	Subsidiary through AVBV	Poland	100%	100%	
Vredestein Bekleding	Subsidiary through AVBV	Netherlands	100%	100%	
Vredestein France S.A.	Subsidiary through AVBV	France	100%	100%	

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership 31.03.2011	Proportion of Ownership 31.03.2010	Remarks
Vredestein consulting B.V.	Subsidiary through AVBV	Netherlands	100%	100%	
Finlo B.V.	Subsidiary through AVBV	Netherlands	100%	100%	
Vredestein Marketing B.V.	Subsidiary through AVBV	Netherlands	100%	100%	

Note 1 - During the year , the management decided to deregister Pollock and Aitken (Pty) Ltd. Notice of deregistration has been received from local authorities on February 17,2011 and the company would be deregistered on the expiry of two months from the date of publication of the notice.

Note 2 - The management had initiated the voluntary dissolution of AT Zrt, during the last financial year. The dissolution process was completed during the year with effect from October 1, 2010. Accordingly results for the period upto September 2010 have been incorporated in consolidated financial statements.

Note 3 - The management had initiated the winding up of Apollo Tyres Pte Ltd., during the last financial year. The winding-up process was completed during the year and the name of Apollo Tyres Pte Ltd. Singapore was struck off the register of companies w.e.f. June 4, 2010. Accordingly results for the period upto June 3, 2010 have been incorporated in consolidated financial statements.

Note 4 - Incorporated during the year.

Note 5 - The company acquired 95% shareholding of KP Construction & Forestry Development Co. Ltd. (name being changed to Apollo Tyres (LAO) Co. Ltd.) through newly incorporated Singapore entity Apollo Tyres Holdings (Singapore) Pte Ltd. Accordingly, results of this entity have been consolidated from effective date February 15, 2011. As per terms specified in the share purchase agreement, payment of consideration to the seller is deferred in four tranches upon completion of certain conditions attached to the acquisition.

Note 6 - During the year, the management decided to liquidate Apollo Tyres (Nigeria) Limited. Liquidation process is underway and is expected to be completed during the next financial year.

b. Associates

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership 31.03.2011	Proportion of Ownership 31.03.2010
National Tyre Services Ltd, Zimbabwe	Associate through DAMUK	Zimbabwe	46.72%	46.72%
Apollo Automotive Tyres Ltd.*	Associate	India	NA	49 %
Apollo Radial Tyres Ltd.*	Associate	India	NA	49%
PanAridus LLC**	Associate through Apollo Co op.	USA	30.40%	7.93%

* The associate companies Apollo Radial Tyres Ltd. & Apollo Automotive Tyres Ltd. applied for voluntary dissolution during the year. Notice pursuant to Section 560(3) of the Companies Act, 1956 has been issued by Registrar of Companies on March 10, 2011 & March 7, 2011 respectively. Consequently, the companies have been dissolved and their names struck-off from the register upon expiry of 30 days from the date of said notices.

** The percentage interest in PanAridus LLC exceeded 20% on August 31, 2010. Accordingly results for the period September 2010 to March 2011 have been incorporated in the consolidated financial statements.

c) Foreign subsidiaries, which operate under severe political and economic uncertainty that significantly diminishes control or which operates under severe long term restrictions which significantly impair its ability to transfer funds to parent are not consolidated.

In view of the current political situation in Zimbabwe and the long term restriction on financial repatriation the accounts of Zimbabwe based entities have not been consolidated under accounting standard (AS 21) "Consolidated Financial Statements" and have been considered as detailed below:

Subsidiaries	**Treatment in consolidated financials**
Radun Investment (Private) Ltd (RADUN), Zimbabwe	Not consolidated. Cost of investment included under investment.
Dunlop Zimbabwe (Private) Ltd	The cost of investment has been impaired.
ASF Mining (Pvt.) Ltd Zimbabwe	The cost of investment has been impaired
Associates	Treatment in Consolidated Financials
National Tyre Services Ltd Zimbabwe (NTS)	Investment is accounted for on equity basis to the extent of actual receipt of share of profit, if any, in the form of dividend.

4. **FIXED ASSETS**

(a) Fixed assets are stated at cost, as adjusted by revaluation of certain land, buildings, plant and machineries based on the then replacement cost as determined by approved independent valuer in 1986 and 1987 less depreciation.

(b) All costs relating to the acquisition and installation of fixed assets (net of Cenvat/VAT credits wherever applicable) are capitalized and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period upto the date of commencement of production, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. (Also refer accounting policy No. 6 on Borrowing Costs.) Other incidental expenditure attributable to bringing the assets to their working condition for its intended use are capitalized.

(c) Fixed assets taken on finance lease are capitalised and depreciation is provided on such assets, while the interest is charged to the profit and loss account.

5. **DEPRECIATION**

Depreciation on fixed assets is provided using straight line method at the rates specified in Schedule XIV of the Companies Act 1956, except for certain vehicles and other equipments for which the depreciation is provided at 30% and 16.67% respectively. Certain plant and machinery are classified as continuous process plants based on technical evaluation by the management and are depreciated at the applicable rates.

Additional depreciation consequent to the enhancement in the value of fixed assets on the revaluation is adjusted in the fixed assets revaluation reserve account.

Leasehold land/improvements thereon are amortized over the primary period of lease.

In respect of assets whose useful life has been revised, the unamortized depreciable amount is charged over the revised remaining useful life.

In case of a subsidiary company incorporated outside India, depreciation is provided for on a straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The rates of depreciation considered for the major assets are as under.

Assets Class	**Rates of Depreciation**
Building	3.33% - 5%
Plant & Equipments	9% - 12.5%
Moulds	20% - 25%
Material Handling Equipments	15% - 33.33%
Computer Hardware	20% - 33.33%
Computer Software	20% - 33.33%
Motor Vehicles	20% - 33.33%
Furniture & Fixtures and Office Equipments	10% - 20%

6. **BORROWING COSTS**

Borrowing costs are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

7. **IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre tax weighted average cost of capital.

8. **INTANGIBLE ASSETS**

The expenditure incurred by the Company on acquisition and implementation of software system/development costs upto the stage when the new product reaches technical feasibility has been recognized as an Intangible asset and is amortized over a period of five to six years based on its estimated useful life.

Trademarks are measured at cost and amortised over the estimated useful life not exceeding period of ten years.

9. **INVESTMENTS**

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

10. **INVENTORIES**

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances). The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in process, incurred in bringing such inventories to their present location and condition.

For Indian companies, in case of raw materials , stores & spares and traded goods cost (net of CENVAT/VAT credits wherever applicable) is determined on a moving weighted average basis and in case of work in process and finished goods, cost is determined on a First in First Out basis, whereas in case of subsidiary companies incorporated outside India, the cost is determined on the basis of "First-in First-Out" and consumable stores are stated at actual cost by reference to latest purchases.

Since it is not practically possible to use uniform accounting policy for raw material and stores and spares, the valuation of the inventory of such subsidiaries has been considered for the purpose of consolidation. The proportion of such inventory is **11%** (14%) of the consolidated value of inventory.

11. **FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are 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 year-end. Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the profit & loss account.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast) or similar instrument is amortized as expense or income over the life of the contract.

Exchange difference on such contracts is recognized in the profit and loss account in the year in which the exchange rates change. Forward exchange contract are the main hedging instruments used to hedge foreign currency risk management. Currency options are used only as a cost effective alternative to forward exchange contracts.

The financial statements of consolidated foreign subsidiaries are translated into Indian Rupees, which is the functional currency of the Company, as follows:

· Assets and liabilities at rates of exchange ruling at year end.

· Income and expense items at the average rate for the year.

Exchange rate differences arising on the translation of consolidated foreign subsidiaries are classified as equity and transferred to the foreign currency translation reserve.

Hedge Accounting

If a fair value hedge meets the conditions for hedge accounting, any gain or loss on the hedged item attributable to the hedged risk is included in the carrying amount of the hedged item and recognized in profit or loss.

If a cash flow hedge meets the conditions for hedge accounting the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in Hedge Reserve account under

Shareholders' Funds and the ineffective and over-effective portions are recognized in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses recognized in Hedge Reserve are transferred to income in the same period in which the asset or liability affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gains or losses recognized in Hedge Reserve are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

If a hedge of a net investment in a foreign entity meets the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in Hedge Reserve and the ineffective portion is recognized in profit or loss. On disposal of a foreign entity, the gain or loss recognized in equity is transferred to profit or loss.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria (including when it becomes ineffective), when the hedge instrument is sold, terminated or exercised, when for cash flow hedges the forecast transaction is no longer expected to occur or when the hedge designation is revoked. Any cumulative gain or loss on the hedging instrument for a forecast transaction is retained in Hedge Reserve until the transaction occurs, unless the transaction is no longer expected to occur, in which case it is transferred to profit or loss for the period.

12. **REVENUE RECOGNITION**

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer. Gross sales are inclusive of excise duty and are net of trade discounts/sales returns/VAT.

Sales of the consolidated entity include sales to external customers and non-consolidated subsidiaries.

Dividend income from investments is accounted for when the right to receive the payment is established.

Interest Income is recognized on time proportion basis.

13. **EXPORT INCENTIVES**

Export Incentives in the form of advance licences/credits earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realizable value/actual credit earned on exports made during the year and are credited to the raw material consumption account.

14. **EMPLOYEE BENEFITS**

Liability for gratuity to employees determined on the basis of actuarial valuation as on balance sheet date is funded with the Life Insurance Corporation of India and are recognized as an expense in the year incurred.

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Contributions to defined contribution schemes such as provident fund, employees pension fund and superannuation fund and cost of other benefits are recognized as an expense in the year incurred.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in the profit & loss account as income or expense.

The employer’s liability for post employment medical benefits, in respect of past service, is provided for and adjusted in response to actuarial assessments when necessary.

Phantom Stock Plan

Accounting value of stock appreciation rights (Phantom stock units) granted to employees under the Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) is recognized based on intrinsic value method. Intrinsic value of the phantom stock unit is determined as excess of closing market price on the reporting date over the exercise price of the unit and is charged as employee benefit over the vesting period in accordance with “Guidance Note on Accounting for Employee Share-based payments” issued by the Institute of Chartered Accountants of India.

15. **TAXES ON INCOME**

Current tax is determined in accordance with the applicable income tax laws of the country in which the respective entities in the group are incorporated. Deferred tax is recognized for all timing differences, subject to the consideration of prudence in respect of deferred tax assets.

16. **MAT CREDIT ENTITLEMENT**

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent that there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

17. **OPERATING LEASES**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the revenue account as per the lease terms.

18. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past events; 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. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B NOTES ON ACCOUNTS:

1. **CONTINGENT LIABILITIES**

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Sales Tax	**94.61**	108.24
Claims not acknowledged as debts - Employee Related	**23.90**	21.54
- Property Disputes	**2.60**	2.60
- Others	**8.83**	5.83
Provision of Security (Bank Deposits pledged with a Bank against which working capital loan has been availed by Apollo Finance Ltd. , an Associate Company)	**73.30**	99.52
Guarantee given by Company for the loan taken by Sub-Subsidiary Companies	**2,570.40**	673.50
Guarantees given by bankers on behalf of the Company	**528.00**	497.66
Custom Duty	**23.50**	23.50
Excise Duty*	**177.30**	56.34
Irrevocable Letters of Credit	**3,059.18**	3,984.58

*Excludes demand of **Rs 532.12 Million** (Rs 532.12 Million) raised on one of the Company's units relating to issues which have been decided by the Appellate Authority in Company's favour in appeals pertaining to another unit of the Company. Show-cause notices received from various Government Agencies pending formal demand notices have not been considered as contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for as on March 31 , 2011 is **Rs 6,041.89 Million** (Rs 10,027.35 Million).

3. **Status of Chennai Project:**

The first phase of passenger car vehicle segment of the Chennai project had commenced operations from March 11, 2010 and the Truck/Bus radial segment had commenced operations from May 11, 2010. The construction of the second and third phase of the project to enhance the production capacities of the passenger car and Truck/Bus radial tyres has started in the current financial year.

4. **MAT Credit Entitlement**

In view of the consistent profits over the years and also considering the future profit projections, the management believes that there is convincing evidence with regard to the earning of future taxable income and payment of tax under normal tax within the specified period. Accordingly, MAT Credit Entitlement of **Rs. 315.93 Million** has been recognized during the year.

5. **Minority Interest**

Minority Interest represents Share of minority holding 5% of Share Capital of newly acquired KP Construction & Forestry Development Co. Ltd. (name being changed to Apollo Tyres (LAO) Co. Ltd.) through newly incorporated Singapore entity Apollo Tyres (Holdings) Singapore Pte Ltd.

6. Based on and to the extent information received from the suppliers by the Company, regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMDA)and relied upon by the auditors, the relevant particulars as at March 31, 2011 are furnished below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Principal amount unpaid as at year-end	**66.60**	42.93
Amount paid after appointed date during the year	**157.96**	75.94
Amount of interest accrued and unpaid as at year-end	**9.97**	6.87

7. Borrowing costs capitalised/ transferred to capital work in progress during the year is **Rs 251.28 Million** (Rs 257.42 Million). This includes **Rs 69.90 Million** (Rs 31.57 Million) towards loan processing fees and **Rs 14.71 Million** (Rs 15.44 Million) towards Bank Charges.

8. Research and development comprises of the following:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
(A) Revenue Expenditure		
Salary, Wages & Other Benefits	**128.35**	70.73
Travelling & Conveyance	**12.87**	9.77
Others	**269.99**	251.00
SUB-TOTAL	**411.21**	331.50
(B) Capital Expenditure	**171.60**	-
TOTAL (A+B)	**582.81**	331.50

9. Deferred revenue expenditure:

Payment Under Voluntary Retirement Scheme	2010-11 Rs Million	2009-10 Rs Million
Opening Balance	-	1.51
Add : Payment during the year	-	0.17
Less : Amortised during the year	-	(1.68)
Closing Balance	-	-

10. Directly attributable expenses capitalised/included in capital work in progress during the year :

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Raw Material Consumed	**106.99**	33.86
Salaries, Wages and Bonus	**51.19**	114.98
Contribution to Provident and Other Funds	**3.82**	5.97
Welfare Expenses	**22.88**	26.12
Rent	**3.10**	4.10
Travelling, Conveyance and Vehicle expenses	**18.64**	17.27
Postage, Telex, Telephone and Stationery	**0.41**	1.57
Power Expenses	**7.26**	38.21
Insurance Expenses	**0.51**	8.69
Legal & Professional Expenses	**9.50**	-
Miscellaneous Expenses	**35.38**	19.01
Total*	**259.68**	269.78

*Out of the above **Rs 11.73 Million** (Rs 4.40 Million) is included in capital work in progress as on March 31, 2011.

11. Statutory Auditors' Remuneration included under Miscellaneous Expenses:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
For Audit	**43.97**	27.52
For Certification & Other Services	**3.99**	4.05
Reimbursement of expenses	**0.23**	0.25
TOTAL	**48.19**	31.82

12. **Employee Benefits**

A. Indian Operations

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 at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following table summarises the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan:

Profit and Loss Account:

Net employee benefit expenses (recognised in employee cost)

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Current service cost	**32.25**	27.67
Interest cost on benefit obligation	**33.58**	29.48
Expected return on plan assets	**(34.19)**	(29.39)
Net actuarial loss recognised in the year	**50.27**	24.98
Net benefit expense	**81.91**	52.74

Balance Sheet:

Net Asset/(Liability) recognised in the Balance Sheet including experience adjustment impact

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million	2008-09 Rs Million	2007-08 Rs Million	2006-07 Rs Million
Present value of defined benefit obligation at the end of the year	**519.73**	447.74	393.04	339.69	298.35
Fair value of plan assets at the end of the year	**437.82**	361.79	311.03	248.14	213.12
Asset/(Liability) recognized in the balance sheet	**(81.91)**	(85.95)	(82.01)	(91.55)	(85.23)
Experience Adjustment of obligation - (Gain)/Loss*	**51.03**	27.67	22.31	-	-
Experience Adjustment of plan assets - Gain/(Loss)*	**2.36**	1.21	1.92	-	-

* Details disclosed to the extent information provided by the actuary.

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Present value of obligations as at the beginning of the year	**447.74**	393.04
Interest cost	**33.58**	29.48
Current service cost	**32.25**	27.68
Benefits paid	**(46.47)**	(28.50)
Actuarial loss on obligation	**52.63**	26.04
Present value of obligations as at the end of the year	**519.73**	447.74

Changes in the fair value of plan assets are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Fair value of plan assets at beginning of the year	**361.79**	311.03
Expected return on plan assets	**34.19**	29.39
Contributions	**85.95**	48.81
Benefits paid	**(46.47)**	(28.50)
Actuarial gain on plan assets	**2.36**	1.06
Fair value of plan assets as at the end of the year	**437.82**	361.79

The Company's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not presently ascertained.

Principal actuarial assumptions

PARTICULARS	2010-11 Rate (%)	2009-10 Rate (%)
a) Discount rate	**7.50**	7.50
b) Future salary increase*	**5.00**	5.00
c) Expected rate of return on plan assets	**9.45**	9.45

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

Employees Phantom Stock Plan 2010

a) During the year the company announced Cash-settled Employee Share-based Payment Plan (Phantom Stock Plan) for eligible employees of the company. Under the scheme, 12 Lacs phantom stock units have been granted on April 1, 2010 by the board appointed committee and the same will vest as per the following schedule:

Percentage of Grant	Vesting Schedule
25%	On 1st anniversary of respective grant date
25%	On 2nd anniversary of respective grant date
25%	On 3rd anniversary of respective grant date
25%	On 4th anniversary of respective grant date

Pursuant to the above scheme, the eligible employees are entitled to get cash compensation upon exercise of the phantom stock unit within seven years of the vesting date.

b) Details of the expense recognized during the year and outstanding phantom stock units of the company under the Phantom Stock Plan 2010 are as under:

Date of Grant	01.04.2010
Numbers Outstanding as on 31.03.2011	12,00,000
Numbers Vested as on 31.03.2011	-
Exercise Price per Phantom Stock Unit (Rs.)	50
Market Price of Share on 31.03.2011 (Rs.)	69.50
Fair Value Phantom Stock Unit (Rs.)	35.79
Amount charged to Profit &Loss Account (Included in Schedule-9 Employee Cost)	Rs 12.17 Million
Liability as on 31.03.2011 (Included in Schedule-7 Provisions)	Rs 12.17 Million

The details of Variables used for fair valuation are given in the table below:

Grant date	01-Apr-10			
Remeasurement date	**Vest1**	**Vest 2**	**Vest 3**	**Vest 4**
31-Mar-11	**01-Apr-11**	**01-Apr-12**	**01-Apr-13**	**01-Apr-14**
Variables				
Stock Price (Rs)	69.55	69.55	69.55	69.55
Volatility	53.68%	50.12%	47.99%	45.36%
Risk - free Rate	7.47%	7.60%	7.74%	7.86%
Exercise Price (Rs)	50.00	50.00	50.00	50.00
Time To Maturity (In Years)	3.51	4.51	5.51	6.51
Dividend yield	2.49%	2.49%	2.49%	2.49%
Fair Value per vest (Rs)	**34.46**	**35.48**	**36.41**	**36.83**
Vesting %	25.00%	25.00%	25.00%	25.00%
Option Fair Value (Rs)	**35.79**			

Phantom Stock Scheme - Proforma Profit &Loss and Earnings Per Share

Had compensation cost for the Phantom Stock units granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

PARTICULARS	Amount
Impact on Net Profit (Rs Million)	
Net Profit (As reported)	4,401.63
Add:- Cash based employee compensation expense included in net profit	12.17
Less:- Cash based compensation expense determined under fair value based method (Proforma)	22.33
Net Profit (Proforma)	4,391.47
Impact on Earnings per Share (Rs)	
Basic and Diluted Earnings per Share of Re 1 Each (As reported)	8.73
Basic and Diluted Earnings per Share of Re 1 Each (Proforma)	8.71

B. South Africa Operations

Apollo Tyres South Africa (Pty) Ltd.

Employees are members of an umbrella fund of one of the three active retirement benefit funds which are defined contribution provident funds. These are governed by the Pensions Funds Act, 1956. The assets of these funds are independent of the company.

The Retirement On-Line Provident Fund is an umbrella fund which is managed and controlled by an external board of trustees. Members of the Dunlop Staff Provident Fund were transferred to this fund with effect from September 1, 2007.

The Dunlop Tyres Operatives Provident Fund is valued in three year intervals. The fund's last formal actuarial valuation was independently performed as at December 2006. The fund is judged to be in a sound financial position.

The New Tyre Manufacturing Industry Provident Fund was established in 2005 and the majority of weekly paid employees are members of this fund. Interim valuations are performed by an actuary, the most recent being June 2006. The fund is judged to be in a sound financial position.

The Dunlop Staff Provident Fund is in liquidation and 92.5% of employer surplus was received by the Group on February 10, 2010. The realisation of the balance of the employer surplus amount (7.5%) is still conditional upon several activities/approval. The amount will be paid to the Group on the finalisation of the liquidation.

Certain management personnel are members of an umbrella fund which is managed and controlled by an external board of trustees.

There is a single defined benefit fund, the Dunlop Africa Pension Fund. The liquidation is conditional upon several activities/approval. There is no surplus in the Dunlop Africa Pension Fund.

Post-employment medical obligation

Apollo Tyres South Africa (Pty) Ltd.

Prior to 1998, it was the company's policy to provide post-employment medical benefits for its employees, by the way of subsidies. These subsidies have been funded by means of pensions purchased from insurers. Each year additional amounts are paid in line with the increases in medical aid subscriptions.

The company's liability in respect of the post-employment medical obligation has been actuarially valued at **Rs 166.13 Million** (Rs 149.36 Million) at March 31, 2011 by Fifth Quadrant Actuaries and Consultants. The actuarial valuation performed has been based on the following assumptions:

a) a health care cost inflation rate of **6.75% p.a.** (6.3% p.a)

b)a discount rate of **9% p.a.** (8.60% p.a.)

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Opening Balance	**149.36**	126.47
Interest cost recognized in income statement in current period	**12.82**	11.65
Health care cost inflation	**14.10**	7.36
Actuarial loss/(gain) recognized in income statement in current period	**3.60**	6.13
Miscellaneous (including basis and data changes)	**(13.75)**	(2.25)
Closing balance	**166.13**	149.36

Sensitivity of healthcare cost

For every 1% strengthening/weakness of investment returns, relative to medical aid inflation, the liability is calculated to increase/reduce by **Rs 12.63 Million** (Rs 11.61 Million) from the reported level of **Rs 166.13 Million** (Rs 149.36 Million). Similarly for every 1% increase/decrease in medical aid inflation, relative to investment returns, the liability is calculated to increase/decrease by **Rs 18.61 Million** (Rs 17.72 Million)

C. European Operations

Valuations of the obligations under the pension plans are carried out by independent actuaries. At March 31, 2011 employees of Apollo Vredestein B.V. and Vredestein GmbH participated in defined benefit pension plans. The benefits of the defined benefit pension plans in Holland and Germany are based primarily on years of service and employees' compensation. The funding policy for the plans is consistent with local requirements in the countries of establishment.

Awarded pension rights for the defined benefit pension plan of Apollo Vredestein B.V. are financed by means of annual premiums paid to the pension fund. The defined benefit pension plan of Apollo Vredestein B.V. is wholly funded. The plan includes conditional indexation. It has been assumed that current and future pension payments for deferred pensioners will increase at an average rate of 0.50% per annum and for active participants at an average rate of 1.13% per annum.

The mortality level was assessed in accordance with the Dutch Mortality table AG 2010-2060 (mortality forecast) with a 1-year setback for the Dutch pension scheme and the German Mortality table 2005 G Heubeck with a 1-year setback for the German pension scheme.

Profit and Loss Account:

Net employee benefit expenses (recognized in employee cost)

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Current service cost	**197.86**	159.05
Interest cost on benefit obligation	**399.73**	468.48
Expected return on plan assets	**(346.30)**	(317.97)
Net actuarial (gain)/loss recognized in the year	**(619.02)**	42.72
Administration Cost	**42.50**	53.02
Net benefit expense	**(325.23)**	405.30

Balance Sheet:

Reconciliation of present value of the obligation and the fair value of plan assets

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Present value of funded obligation at the end of the year	**8,996.00**	8,503.02
Fair value of plan assets at the end of the year	**8,261.93**	6,990.44
Asset/(Liability) recognized in the balance sheet	**734.08**	(1,512.58)
Experience Adjustment of obligation - (Gain)/Loss	**(331.12)**	1012.87
Experience Adjustment of plan assets - Gain/(Loss)	**287.90**	965.31

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Present value of obligations as at the beginning of the year	**8,503.02**	6,706.35
Interest cost	**421.42**	468.48
Current service cost	**208.60**	159.05
Contribution by employees	**257.05**	305.19
Benefits paid	**(45.00)**	(45.62)
Actuarial (gain)/loss on obligation	**(349.09)**	909.57
Present value of obligations as at the end of the year	**8,996.00**	8,503.02

Changes in the fair value of plan assets are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Fair value of plan assets at beginning of the year	**6,990.44**	5,089.03
Expected return on plan assets	**365.09**	317.97
Contributions	**679.49**	800.27
Benefits paid	**(31.81)**	(30.66)
Administration Cost	**(44.80)**	(53.02)
Actuarial gain on plan assets	**303.52**	866.85
Fair value of plan assets as at the end of the year	**8,261.93**	6,990.44

Principal Assumptions

PARTICULARS	2010-11 (in %age)	2009-10 (in %age)
Discount rate(s)	5.00	5.00
Expected return on plan assets	4.75	5.00
Salary increase	2.50	3.00
Inflation	2.00	2.00
Indexation active members	1.10	1.00
Indexation non-active members	0.50	1.00

13. The components of Deferred Tax Liability (Net) are as follows:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Deferred Tax Liability on timing differences arising on:		
Depreciation	**3,398.99**	2,953.55
Others	**11.35**	7.43
Sub Total (A)	**3,410.34**	2,960.98
Deferred Tax Assets on timing differences arising on:		
Payment under Voluntary Retirement Scheme	**0.35**	0.68
Provision for Gratuity and Leave Encashment	**50.94**	54.78
Provision for Doubtful Debts/Advances	**25.62**	29.20
Others	**171.42**	361.92
Sub Total (B)	**248.33**	446.58
Net Deferred Tax Liability (A-B)	**3,162.01**	2,514.40

14. Provision for Sales Related Obligation represents estimates for payments to be made in future. Major portion of the these costs is estimated to be paid in the next financial year and will be paid within a maximum of 3 years from the balance sheet date.

Rs Million

Opening Balance as at 01.04.2010	Additional provision made during the year	Incurred against provision during the year	Closing Balance as at 31.03.2011
1,442.59	**3,450.68**	**3,390.55**	**1.502.72**

15 **The following forward exchange contracts entered into by the Company are outstanding as on March 31, 2011.**

Currency		Amount	Buy/Sell	Cross Currency
United States Dollar	USD	16,500,448	Buy	INR
United States Dollar	USD	2,223,950	Buy	INR
SUBSIDIARIES				
United States Dollar	USD	8,878,000	Buy	ZAR
Euro	EURO	950,000	Sell	ZAR
United States Dollar	USD	5,857,350	Buy	EURO
Great British Sterling	GBP	3,674,667	Buy	EURO
Swedish Krona	SEK	2,072,500	Buy	EURO
Swiss Francs	CHF	1,711,500	Buy	EURO
Norwegian Krone	NOK	1,303,000	Buy	EURO
Polish Zlotych	PLZ	658,000	Buy	EURO
Hungarian Forint	HUF	342,000	Buy	EURO

2009-10

Currency		Amount	Buy/Sell	Cross Currency
United States Dollar	USD	3,251,613.00	Buy	INR
Euro	EURO	2,000,000.00	Buy	USD
SUBSIDIARIES				
Swiss Franc	CHF	5,880,733.12	Buy	EURO
Norwegian Krone	NOK	13,089,825.72	Buy	EURO
Swedish Krona	SEK	28,880,563.14	Buy	EURO
United States Dollar	USD	7,400,686.60	Buy	EURO
Great British Sterling	GBP	4,682,513.64	Buy	EURO
Polish Zlotych	PLZ	1,547,761.24	Buy	EURO
United States Dollar	USD	7,842,781.00	Buy	ZAR
Euro	EURO	3,290,095.76	Buy	ZAR
Great British Sterling	GBP	22,973.70	Sell	ZAR
Japanese Yen	JPY	504,000.00	Buy	ZAR

The mark to market losses of **Rs 0.03 Million** (Rs 3.89 Million) relating to undesignated/ineffective forward contracts/ derivatives have been recognized in the Profit and Loss Account.

16. **Segmental Reporting**

a) Geographical Segments

The Company has considered geographic segments as the primary segments for disclosure. The Geographic Segments are India ,South Africa , Europe on the basis of Organisation Structure and Operating Locations. Indian segment includes manufacturing and sales operations through India, South Africa and Europe segments include manufacturing and sales operations through South Africa and Europe along with its subsidiaries located in South Africa and Europe respectively.

b) Business Segments

The Company has considered business segment as the secondary segment for disclosure. The Company's operations comprise of only one segment - Tyres, Tubes & Flaps and therefore, there are no other business segments to be reported as required under accounting standard (AS-17) - "Segment Reporting".

c) Segmental assets includes all operating assets used by respective segments and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities.

Rs Million

Particulars	India		South Africa		Europe		Other Corp		Eliminations		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1. REVENUE												
Total Sales	**54,904.86**	50,365.61	**11,830.92**	10,971.64	**22,343.72**	19,901.47	**-**	-	**-**	-	**89,079.50**	81,238.72
Inter segment Sales	**(342.16)**	(0.24)	**(59.99)**	(31.05)	**(0.17)**	-	**-**	-	**-**	-	**(402.32)**	(31.29)
External Sales	**54,562.70**	**50,365.37**	**11,770.93**	**10,940.59**	**22,343.55**	**19,901.47**	**-**	-	**-**	-	**88,677.18**	**81,207.43**
2. RESULT												
Segment result	**4,128.40**	6,721.41	**320.84**	1,649.02	**2,975.40**	2,240.70	**(75.43)**	(317.18)	**(32.25)**	-	**7,316.96**	10,293.95
Interest expense	**(1,517.14)**	(811.65)	**(287.30)**	(181.89)	**(206.48)**	(242.17)	**132.18**	(0.12)	**(1.68)**	-	**(1,880.42)**	(1,235.83)
Interest and Dividend Income	**24.22**	72.19	**3.93**	9.83	**-**	0.01	**0.21**	-	**-**	-	**28.36**	82.03
Income Taxes	**(652.95)**	(1,832.07)	**(32.18)**	(370.29)	**(377.51)**	(404.01)	**(0.63)**	(0.24)	**-**	-	**(1,063.27)**	(2,606.61)
Net profit	**1,982.53**	**4,149.88**	**5.29**	**1,106.67**	**2,391.41**	**1,594.53**	**56.33**	**(317.54)**	**(33.93)**	-	**4,401.63**	**6,533.54**
3. OTHER INFORMATION												
Segment assets	**52,665.57**	33,629.87	**10,059.85**	7,186.29	**16,044.00**	13,590.74	**5,810.73**	316.39	**(11,351.64)**	-	**73,228.51**	54,723.29
Segment liabilities	**30,938.46**	18,070.41	**5,731.42**	4,846.07	**8,812.85**	9,526.68	**4,068.34**	2,601.88	**(456.31)**	-	**49,094.76**	35,045.04
Capital Expenditure	**8,979.17**	8,585.42	**883.86**	783.52	**1,364.99**	1,077.28	**172.11**	4.46	**-**	-	**11,400.13**	10,450.68
Depreciation	**1,473.54**	1,227.82	**409.43**	370.48	**833.31**	940.92	**3.16**	3.10	**-**	-	**2,719.44**	2,542.32

17. Disclosure of Related Party Transactions in accordance with the mandatory accounting standard (AS-18). "Related Party Disclosures":

Names of the related parties

PARTICULARS	2010-11	2009-10
Associates	Apollo International Ltd. (AIL) Apollo International Trading LLC, Middle East Encorp E Services Ltd. UFO Moviez India Ltd. Landmark Farms & Housing (P) Ltd. Sunlife Tradelinks (P) Ltd. Travel Tracks (P) Ltd. Dusk Valley Technologies Ltd. Classic Auto Tubes Ltd. PTL Enterprises Ltd. (PTL) Apollo Finance Ltd. Artemis Medicare Services Ltd. Artemis Health Sciences Ltd. National Tyre Services Ltd Zimbabwe Pressurite (Pty) Ltd, South Africa PanAridus LLC, USA (Note a) Regent Properties CLS Logistics Pvt Ltd. Swaranganga Consultants Pvt. Ltd. J&S Systems Corporation, UK Ceased to exist during the year (Note b) Ceased to exist during the year (Note b)	Apollo International Ltd. (AIL) NA Encorp E Services Ltd. UFO Moviez India Ltd. Landmark Farms & Housing (P) Ltd. Sunlife Tradelinks (P) Ltd. Travel Tracks (P) Ltd. Dusk Valley Technologies Ltd. Classic Auto Tubes Ltd. PTL Enterprises Ltd. (PTL) Apollo Finance Ltd. Artemis Medicare Services Ltd. Artemis Health Sciences Ltd. National Tyre Services Ltd Zimbabwe Pressurite (Pty) Ltd, South Africa NA NA NA NA NA Apollo Automotive Tyres Ltd. Apollo Radial Tyres Ltd.
Key Management Personnel	O S Kanwar Neeraj Kanwar U S Oberoi Sunam Sarkar	O S Kanwar Neeraj Kanwar U S Oberoi Sunam Sarkar
Relatives of Key Managerial Personnel	Raaja Kanwar	Raaja Kanwar

Note: Related Parties and their relationships are as identified by the management and relied upon by the Auditors.

Notes:

(a) The percentage interest in PanAridus LLC exceeded 20% on August 31, 2010.

(b) The associate companies Apollo Radial Tyres Ltd. and Apollo Automotive Tyres Ltd. applied for voluntary dissolution during the year. Notice pursuant to Section 560(3) of the Companies Act, 1956 has been issued by the Registrar of Companies on March 10, 2011 & March 7, 2011 respectively. Consequently, the companies have been dissolved and their names struck-off from the register upon expiry of 30 days from the date of said notices.

Transactions with Related Parties - 2010-11

Particulars	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million
Description of Transactions:			
Reimbursement of expenses Apollo International Ltd.	(0.50)		**(0.50)**
Sales to Apollo International Trading LLC, Middle East	1,150.01		**1,150.01**
Clearing Charges CLS	234.01		**234.01**
Reimbursement of Expenses to PTL	414.85		**414.85**
Sale to CATL - Fixed Asset/Raw Material	0.79		**0.79**
Reimbursement of Expenses - CATL	3.31		**3.31**
Payment for services - Artemis Medicare Services Ltd.	9.84		**9.84**
Lease Rent paid to PTL	400.00		**400.00**
Service Charges recovered from PTL	3.45		**3.45**
Conversion charges - CATL	865.02		**865.02**
Advance paid for purchase of fixed assets to CATL	161.40		**161.40**
Travelling Expenses - Travel Tracks	136.23		**136.23**
Conference Expenses Paid to Travel Tracks	267.17		**267.17**
Rent Received	0.79		**0.79**
Managerial Remuneration		246.72	**246.72**
Interest Received - PTL	2.74		**2.74**
Rent Paid - Sunlife Tradelinks	21.30		**21.30**
Rent paid - Landmark Farms	24.00		**24.00**
Rent Paid - CATL	0.12		**0.12**
Rent Paid - Regent Properties	21.60		**21.60**
Sale of fixed asset to Swaranganga Consultants Pvt. Ltd.	141.33		**141.33**
Total	**3,857.46**	**246.72**	**4,104.18**
Amount Outstanding Dr./(Cr.)	**907.84**		**907.84**
PTL	**260.84**		
Landmark Farms & Housing (P) Ltd.	**72.00**		
AIL	**61.80**		
AITL, Middle East	**213.04**		
Sunlife	**63.90**		
CATL	**151.69**		
CLS	**7.62**		
Regent Properties	**64.80**		
Swaranganga Consultants Pvt. Ltd.	**7.82**		
Others	**4.33**		
Bank Deposits Pledged for Apollo Finance (Note B-1)	**73.30**		

Transactions with Related Parties - 2009-10

Particulars	Associates	Key Management Personnel	Total
	Rs Million	Rs Million	Rs Million
Description of Transactions:			
Sales to AIL	982.51		982.51
Re-imbursement of Expenses to PTL	351.40		351.40
Re-imbursement of Expenses to Artemis Medicare Services Ltd.	10.16		10.16
Lease Rent paid to PTL	250.00		250.00
Service Charges recovered from PTL	(3.45)		(3.45)
Conversion Charges paid to CATL	636.62		636.62
Managerial Remuneration		404.12	404.12
Travelling Expenses paid to Travel Tracks	103.12		103.12
Rent Received	(1.21)		(1.21)
Conference Expenses Paid to Travel Tracks	137.18		137.18
Interest Received - PTL	(3.09)		(3.09)
Security Deposit - Paid	83.10		83.10
Security Deposit - Received	(0.03)		(0.03)
Rent Paid - Sun Life Trade Links	21.30		21.30
Rent Paid - Landmark Farm	24.00		24.00
Total	**2591.61**	**404.12**	**2,995.73**
Amount Outstanding Dr./(Cr.)	**507.20**		**507.20**
PTL	**267.20**		
Landmark Farms & Housing (P) Ltd.	**72.00**		
AIL	**120.43**		
Others	**47.57**		
Bank Deposits Pledged for Apollo Finance (Note B-1)	**99.52**		

18. **Operating Lease**

A. Indian Operations

The company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under those leases were **Rs 400 Million** (Rs 250 Million).

The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Within one year of the balance sheet date	400.00	250.00
Due in a period between one year and five years	800.00	750.00
Due after five years	-	-

Finance Lease - Deferred Payment Credit

The schedule of future minimum lease payments in respect of non-cancellable finance leases is set out below:

Rs Million

PARTICULARS	Total Minimum Lease Payments		Present Value of Lease Payments	
	2010-11	2009-10	2010-11	2009-10
Within one year of the balance sheet date	**57.11**	52.73	**33.06**	27.51
Due in a period between one year and five years	**242.73**	229.85	**179.70**	155.45
Due after Five Years	**137.06**	195.25	**107.49**	155.33
Total	**436.90**	**477.83**	**320.25**	**338.29**
Less: Future Finance Charges	**(116.65)**	(139.54)		
Present Value of Minimum Lease Payments	**320.25**	338.29		

B. South African Operations

Apollo Tyres South Africa (Pty) Ltd.

The schedule of future minimum lease payments in respect of non-cancelable operating leases is set out below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Within one year of the balance sheet date	**70.22**	63.18
Due in a period between one year and five years	**313.70**	298.99
Due after five years	**42.19**	115.55

The lease escalation liability relates to rental and lease contracts with fixed escalation clause. Rental payables under the contracts are charged to profit and loss account on a straight-line basis over the term of relevant lease.

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Long term	**84.78**	78.25
Short term (due within a year)	**0.95**	0.46
Total lease escalation	**85.73**	78.71

C. European Operations

The schedule of future minimum lease payments in respect of non-cancelable operating leases is set out below:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
Within one year of the Balance Sheet Date	**306.72**	387.19
Due in a period between one year and five years	**693.70**	30.88
Due after five years	**326.43**	29.29

19. Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

PARTICULARS	2010-11 Rs Million	2009-10 Rs Million
a) Basic & Diluted (Before Exceptional Items)*		
Profit attributable to the equity shareholders used as numerator (Rs Million) - (A)	**4,401.63**	5,659.79
The weighted average number of equity shares outstanding during the year used as denominator -(B)	**504,024,770.00**	504,024,770.00
Basic/Diluted earnings per share (Rs) – (A)/(B) (Face Value of Re 1 each)	**8.73**	11.23
b) Basic & Diluted (After Exceptional Items)*		
Profit attributable to the equity shareholders used as numerator (Rs Million) - (A)	**4,401.63**	6,533.42
The weighted average number of equity shares outstanding during the year used as denominator -(B)	**504,024,770.00**	504,024,770.00
Basic/Diluted earnings per share (Rs) – (A)/(B) (Face Value of Re 1 each)	**8.73**	12.96

*The Company does not have any Potential Equity Shares.

20. Previous Year's figures have been regrouped or rearranged wherever considered necessary to conform to the classifications for the current year. Figures in brackets relate to previous year.

ONKAR S KANWAR
Chairman &
Managing Director

NEERAJ KANWAR
Vice Chairman &
Managing Director

S NARAYAN
Director

SUNAM SARKAR
Chief Financial Officer &
Whole Time Director

P N WAHAL
Head (Sectt. & Legal) &
Company Secretary

Gurgaon
May 11, 2011

INFORMATION PERTAINING TO SUBSIDIARY COMPANIES U/S 212 (8) OF THE COMPANIES ACT, 1956

Rs Million

Contents	APOLLO (MAURITIUS) HOLDINGS PVT LTD (AMHPL)	APOLLO (SOUTH AFRICA) HOLDINGS (PTY) LTD (ASHPL)	APOLLO TYRES SOUTH AFRICA (PTY) LTD. (ATSAPL) ***	DUNLOP AFRICA MARKETING (UNITED KINGDOM) LTD (DAMUK)*	APOLLO TYRES COOPERATIEF U.A. (AT COOP)	APOLLO VREDESEIN B.V. (AVBV)**	APOLLO TYRES (CYPRUS) PVT LTD (AT CPL)	APOLLO TYRES AG (AT AG)	APOLLO TYRES (NIGERIA) LTD. (AT NGR)	APOLLO TYRES HOLDINGS (SINGAPORE) PTE LTD. (AT HS)	APOLLO TYRES MIDDLE EAST FZE (AT FZE)	K P CONSTRUCTION & FORESTRY DEVELOPMENT CO. LTD. #
Share Capital	5,036.88	2,577.91	263.74	-	2,249.80	2.61	0.03	147.59	0.80	21.56	12.50	65.41
Reserves/(Accumulated Loss)	363.74	(154.02)	3,642.84	44.41	(1.84)	7,518.92	(0.91)	(83.29)	(20.40)	(3.58)	(2.37)	97.49
Total Assets	5,400.62	2,624.68	9,656.25	44.83	2,277.08	17,557.59	95.63	148.22	0.95	17.98	10.13	171.47
Total Liabilities	5,400.62	2,624.68	9,656.25	44.83	2,277.08	17,557.59	95.63	148.22	0.95	17.98	10.13	171.47
Detail of Investments (other than investment in subsidiary companies)	-	-	-	30.99	67.50	-	-	-	-	-	-	-
Turnover (including other income)	278.16	-	11,876.48	-	-	22,385.35	-	2.25	-	-	-	-
Profit/(Loss) Before Taxation	255.72	(128.73)	91.52	(0.52)	(1.60)	1,790.48	(0.72)	(28.03)	(1.94)	(3.58)	(2.37)	(0.66)
Income Tax Expense/(Income)	-	(0.04)	(32.14)	-	-	(377.49)	-	(0.63)	-	-	-	-
Profit/(Loss) after taxation	255.72	(128.77)	59.38	(0.52)	(1.60)	1,412.99	(0.72)	(28.66)	(1.94)	(3.58)	(2.37)	(0.66)
Proposed dividend	45.90	-	-	-	-	-	-	-	-	-	-	-

Note: Exchange rates conversion on average rates during the year

* The information in respect of 3 subsidiaries in Zimbabwe through DAMUK, which operate under severe political and economic uncertainty that significantly diminishes control or which operate under severe long term restrictions which significantly impair their ability to transfer funds to the parent company has not been disclosed.

** Includes 19 subsidiaries under AVBV.

*** Includes Pollock & Aitken, subsidiary under ATSAPL.

Name being changed to Apollo Tyres (LAO) Co. Ltd.

apollo | Apollo Tyres Ltd.

Regd Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi 682031, Kerala, India

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the members of APOLLO TYRES LTD. will be held as under: -

DAY	:	Thursday
DATE	:	August 11, 2011
TIME	:	10:00 A.M.
PLACE	:	Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi, Kerala, India

to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2011 and the report of the Directors and of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. T Balakrishnan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Robert Steinmetz, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. A K Purwar, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration by passing the following resolution as an ordinary resolution with or without modification(s):-

   "RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S), the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for auditing the accounts of the Company for the financial year 2011-12 and the Board of Directors/Committee of the Board be and are hereby authorised to fix their remuneration plus travelling and other out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit and also such other remuneration, as may be decided to be paid by the Board/Committee of the Board, for performing duties other than those referred to herein above."

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

   "RESOLVED THAT Mr Shardul S Shroff, who was appointed by the Board of Directors of the Company as an additional Director with effect from May 11, 2011 and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions, Agents and Trustees for Debenture holders and other lenders, wherever necessary, consent of the Company be and is hereby accorded for payment of a sum, not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, to the Directors of the Company or to some/any of them (other than the Managing/Whole Time Directors) in such amounts or proportions and in such manner as may be decided by the Board of Directors for each year and such payments shall be made in respect of the profits of the Company for a period of 5 years commencing from April 1, 2012 to March 31, 2017.

By Order of the Board
For **Apollo Tyres Ltd.**

(P N Wahal)
Company Secretary

Place: Gurgaon
Date: May 11, 2011

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the registered office of the Company duly completed not less than forty eight hours before the scheduled time of the meeting.**
2. The Register of Members and Share Transfer Books shall remain closed from July 28, 2011 to August 11, 2011 (both days inclusive) for payment of dividend on equity shares. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.
3. Please bring your copy of the annual report to the meeting.
4. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business set out above is annexed hereto.
5. All documents referred to in the notice are open for inspection at the registered office of the Company between 11 AM to 5 PM on any working day prior to the date of the meeting and also at the meeting venue.
6. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
7. Information under Clause 49 of the listing agreement with the stock exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting (Item No. 3 to 5 and 7 of the notice) is given hereinafter.
8. The shares of the Company are under compulsory demat list of Securities & Exchange Board of India, w.e.f. November 11, 1999. The trading in equity shares can now be only in demat form. In case you do not hold shares in demat form, you may do so by opening an account with a depository participant and complete dematerialization formalities.
9. The members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant (DP). These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
10. Members holding shares in physical form are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to immediately to the Company.
11. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

Financial Year Ended	Due date of Transfer
31.03.2004	22.07.2011
31.03.2005	27.07.2012
31.03.2006	30.08.2013
31.03.2007	30.03.2014
31.03.2008	19.08.2015
31.03.2009	23.08.2016
31.03.2010	29.08.2017

12. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.apollotyres.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Company quoting their folio number(s).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No.7

Mr Shardul S Shroff, was appointed by the Board as an additional Director on the Board of your Company w.e.f. May 11, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr Shardul S Shroff holds office up to the date of the ensuing Annual General Meeting. A notice under Section 257 of the Companies Act 1956, has been received from a member along with a deposit of Rs.500/- proposing the candidature of Mr Shroff as a Director of the Company.

The Board of Directors recommends resolution set out at item no. 7 for your consideration and approval.

None of the Directors of the Company except Mr Shardul S Shroff himself is concerned or interested in the resolution.

Item No. 8
The Members of the Company in the Annual General Meeting held on August 25, 2006 had approved the payment of such amounts as may be decided by the Board by way of commission to the Directors (other than the Managing/ Whole Time Directors) for a period of 5 years from 01.04.2007 to 31.03.2012 not exceeding 1% of the net profits of the Company. Your Directors recommend for your approval the payment of commission up to 1% of the net profits of the Company to the non-whole time Directors for a further period of 5 years w.e.f. April 1, 2012 to March 31, 2017. The amount of commission payable for each year would be as may be fixed by the Board for each financial year within the overall limit of 1% of the net profits. The resolution set out at item No.8 requires your approval by way of Special Resolution under Section 309 of the Companies Act, 1956.

Only those Directors of the Company, who are not Managing/Whole time Directors, are interested in the Special Resolution to the extent of commission to be received by each one of them.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item No.3
Mr T Balakrishnan, aged about 59 years, has been nominated on the Board by Government of Kerala with effect from July 22, 2005. He is the Principal Secretary (Industries) with Government of Kerela and a senior bureaucrat with vast experience in civil services.

Mr T Balakrishnan holds Chairmanship/ Directorship in the following companies:-

Managing Director	:	Infrastructure Kerala Ltd.
Chairman	:	Kerala Minerals & Metals Ltd., Malabar Cements Ltd., Nitta Gelatin India Ltd., Kerala State Electronics Development Corporation and Transformers & Electricals Kerala Ltd.
Director	:	Hindustan Newsprint Ltd., Kerala State Industrial Development Corporation and Al-Barakha Financial Services Ltd.

He is not holding any shares of the Company.

Item No. 4
Mr Robert Steinmetz, aged about 71 years, joined the Board of your Company during 1999. He has been the Chief of International Business Unit of Continental AG, Germany, past supplier of tyre manufacturing technology to your Company. He has rich experience in international tyre business.

He is not holding any shares of the Company.

Item No. 5
Mr A K Purwar, aged about 65 years is a former Chairman of State Bank of India. He was appointed as an additional Director of the Company w.e.f. October 26, 2007.

Mr Purwar holds Chairmanship/Directorship in the following companies :-

Chairman	:	IL & FS Renewable Energy Ltd., India Infoline Investment Services Ltd., India Venture Advisors Pvt. Ltd.
Director	:	ONGC-Tripura Power Co. Pvt. Ltd., Vardhman Textiles Ltd., Reliance Communications Ltd., Jindal Steel & Power Ltd., Engineers India Ltd., Jindal Power Ltd., C&C Constructions Ltd., Energy Infratech Pvt. Ltd., Sri KaveryMedical Care (Trichy) Pvt. Ltd., Mizuho Securities Pvt. Ltd.

Mr Purwar also holds Membership of Committees in the following companies :-

Audit Committee - Chairman	:	Engineers India Ltd., ONGC-Tripura Power Co. Pvt. Ltd
- Member	:	Reliance Communications Ltd., Jindal Power Ltd., Sri Kavery Medical Care (Trichy) Pvt. Ltd, C & C Constructions Ltd.
Shareholder Grievance Committee - Chairman	:	Reliance Communications Ltd.

He is not holding any shares of the Company.

Item No. 7
Mr Shardul S Shroff aged about 56 years is a graduate in Commerce from Sydenham College, Mumbai and holds a Bachelors Degree in Law. He has been appointed as an additional Director of the Company w.e.f. May 11, 2011.

Mr Shardul S Shroff is the Managing Partner of Amarchand & Mangaldas & Suresh A. Shroff & Co. Mr Shroff is also an Advocate-on-Record of the Supreme Court of India. As a corporate attorney for over 30 years, Mr Shroff has extensive experience in areas of Infrastructure, Projects & Project Finance, Privatisation and Disinvestment, Mergers & Acquisitions, Joint Ventures, Banking & Finance, Capital Markets and Commercial Contracts. Mr Shroff is also a leading authority on legal matters related to Corporate Governance, Media Law, Technology Law and Policy and Regulatory Practices.

During his career, Mr Shroff has been involved in many complex and high profile transactions, with the most recent being Satyam Computers Limited. He advised the Reconstituted Board of the Company nominated by the Hon'ble Company Law Board / Government of India on matters/issues pertaining to restructuring, bidding procedure, takeover offerings, capital markets, regulatory hearings, general corporate advisory and litigation.

As a leading practitioner, he has served as an advisor on number of high profile, government committees and legislative panels. He has participated in drafting important economic legislations and Company law reforms in India.

Mr Shroff also serves on a number of committees of the Confederation of Indian Industries (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI). He is well known for his representation of public sector undertakings and work with the Government of India and its various government agencies.

He had earlier served on the Board of Apollo Tyres as a Director from November 1997 to March 2010.

Mr Shroff holds Directorship in Infrastructure Development Finance Co. Ltd, Ashok Leyland Ltd., DE Shaw India Advisory Services P Ltd., Jindal Power Ltd., Hindustan Media Ventures Ltd., Jubilant Life Sciences Ltd. and other companies.

Mr Shroff is also a member of the Audit Committee of Infrastructure Development Finance Co. Ltd. and Hindustan Media Ventures Ltd.

He is not holding any shares of the Company.

By Order of the Board
For **Apollo Tyres Ltd.**

(P N Wahal)
Company Secretary

Place: Gurgaon
Date: May 11, 2011

Information as per Section 217(2A) of the Companies Act,1956, read with Companies (Particulars of employees) Rules,1975 and forming part of the Directors Report for the year ended March 31, 2011.

Name	Designation	Qualification	D.O.J.	Age	Exp.	Remuneration	Previous Employment	Last Designation
Employed throughout the year						(Rs Million)		
1. Mr Anil Chopra	Group Head, Corporate Accounts	B Com., ACA	18-Aug-92	56	30	6.29	Altos India Ltd.	Manager, Finance
2. Mr Asoka S Iyer	Chief, Group Advisory Services	B Tech.	1-May-98	62	41	8.71	Harrison Aquaculture Ltd.	President
3. Mr Dheeraj Prasad Sinha	Head, CMS	BE (Electronics & Telecom.)	9-Feb-04	40	18	7.43	Infovergix Technologies Ltd.	GM, E-business Services
4. Mr Gaurav Kumar	Group Head, Corporate Strategy & Finance	B Tech., MBA	1-Mar-04	41	18	8.17	HCL Technologies Ltd.	AVP, Mergers & Acquisitions
5. Mr Harish Bahadur	Head, Corporate Investments	B Com. (H)	2-Feb-75	59	36	7.85	–	
6. Mr K Prabhakar	Chief, Projects	B Tech., PGD Ind. Engg, ICWA	6-Nov-89	55	33	16.22	SRF Ltd.	Deputy Mgr (IE) & EA to Sr GM
7. Mr Kaushik Roy	Group Head, Corporate Purchase	M Tech., Dip. in Management	5-Nov-97	46	21	8.03	DLF Cement Ltd.	Manager, Purchase
8. Mr M K Jain	Head, Corporate Technology	BE	11-Feb-03	48	27	6.05	Goodyear	Manager, Quality & Technology
9. Mr Neeraj Kanwar	Vice Chairman & Managing Director	B Sc., ACMS	24-Feb-97	39	16	72.63	Apollo Finance Ltd.	Joint President
10. Mr Onkar S Kanwar	Chairman & Managing Director	B Sc., Bachelor of Admn (Calif.)	1-Feb-88	68	50	139.01	Bst Manufacturing Ltd.	MD
11. Mr P K Mohamed	Chief Advisor, R&D	B Sc., LPRI	19-Feb-01	70	47	11.76	Ceat Ltd.	Executive Director, Technical
12. Mr P N Wahal	Head, Secretarial & Legal and Company Secretary	B Com., FCA, FCS	1-Apr-90	61	39	7.06	Apollo Tubes Ltd.	Company Secretary
13. Mr S K Agrawal	Chief, Manufacturing	B Sc. (Engg)	17-Nov-00	60	41	11.95	Samtel Colour Ltd.	GM, Operations
14. Mr Satish Sharma	Chief, Indian Operations	BE, PGDBM	15-Oct-97	43	22	16.14	JK Industries Ltd.	Manager
15. Mr Sunam Sarkar	Chief Financial Officer & Wholetime Director	B Com. (H), IMPM	1-Jul-99	45	24	18.54	Modi Xerox Ltd.	GM
16. Mr Tapan Mitra	Chief, Human Resources	B Sc. (H), MA Sociology	1-Feb-05	56	35	11.77	Ballarpur Industries Ltd.	VP, People Development & Communications
17. Mr U S Oberoi	Chief, Corporate Affairs & Wholetime Director	B Com.	15-Jul-80	67	48	10.33	JK Industries Ltd.	Sr District Manager, Sales
Employed part of the year								
1. Mr Arun Natarajan	Unit Head, Chennai	MBA, PhD	17-Aug-09	43	20	3.62	Moser Baer Photo Voltaic Ltd.	General Manager
2. Mr Rajesh Ramakrishnan	Head, Marketing	M Sc. (H), BE (H), PGDBM	8-May-10	42	17	8.47	Pepsico International	Executive Vice President, Marketing
3. Mr Ertugrul Yilmaz	Consultant, TBR	B Sc. (Mech. Engg)	1-Dec-09	55	30	7.51	Brisa Tyre Co.	Senior Consultant

Note:
1 None of the above are related to any Director of the Company except Mr Onkar S Kanwar and Mr Neeraj Kanwar being father and son.
2 All appointments are contractual.

Apollo Tyres Ltd.

Registered Office : 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

ATTENDANCE SLIP

Folio No/Client ID* DP ID*	No. of Shares held ....

I hereby record my presence at the 38th ANNUAL GENERAL MEETING of the Company at Kerala Fine Arts Theatre, Fine Arts Avenue, Foreshore Road, Ernakulam, Kochi-(Kerala) on Thursday, the 11th day of August, 2011 at 10.00 A.M.

Signature of the Shareholder/Proxy Present ....

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.

* Applicable for Investors holding Shares in Electronic Form.

Apollo Tyres Ltd.

Registered Office : 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

PROXY FORM

I/we...

of ....being a member/members of Apollo Tyres Ltd. hereby appoint ....

of.. or failing him / her .... of .... as my / our proxy to attend and vote for me / us and on my / our behalf at the 38th Annual General Meeting of the Company to be held on Thursday, the 11th day of August, 2011 at 10.00 A.M.

Signed this .... day of.. 2011

Signature(s) ....

Affix Revenue Stamp.

Note : The form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. The proxy need not be a member of the Company