





APOLLO TYRES LTD.
unstoppable

For every organisation, there is a hidden asset.
An asset that dreams, that creates and one that
makes passion come alive. It has the power to
execute, the vision to excel, and the spirit of
limitless energy. It's a force that is unstoppable, it
is the force of human capital.



contents



- 06** Vision - Values
- 08** CMD's Message
- 10** Board of Directors
- 14** Operating & financial highlights
- 16** Management Discussion
& Analysis (MDA)

PASSION - Reach Higher

P - Perfection in processes

- 28** Product, Quality & Technology

A - Accelerating towards excellence

- 32** Operations & Manufacturing

SS - Strength in Synergies

- 36** People Power

IO - Integrated Outreach

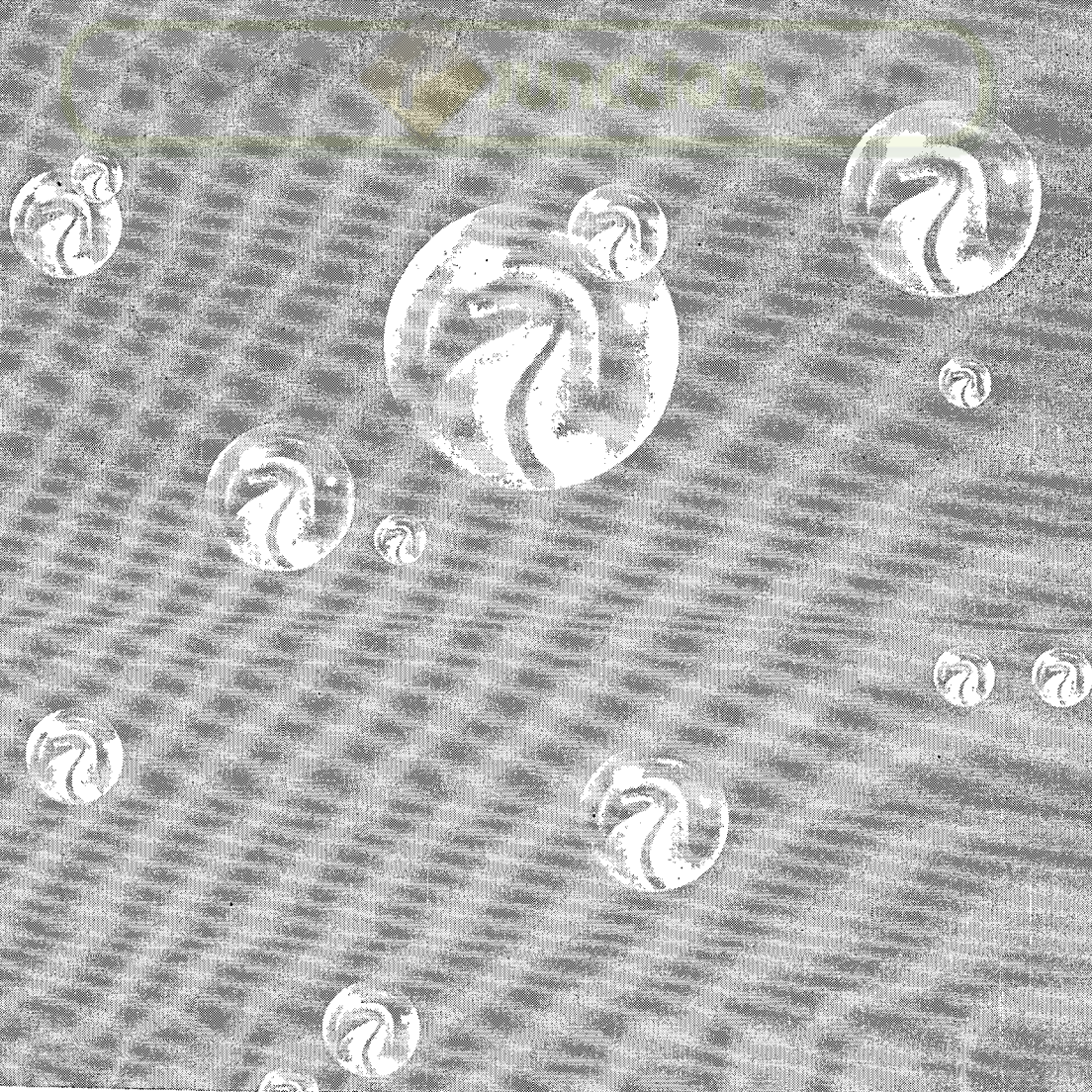
- 42** Marketing, Service & Distribution

N - Nurturing sustainable growth

- 48** Sustainability

- 50** Financials







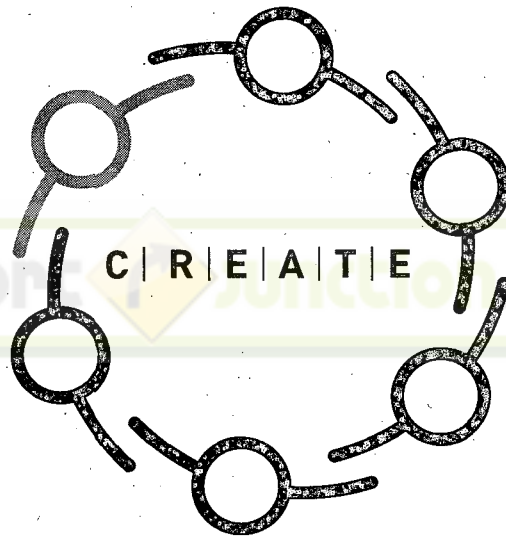
the future belongs to those
who not only
imagine, but also

create
the path



Vision - Values

“A significant player in the global tyre industry and a brand of choice, providing customer delight and continuously enhancing stakeholder value.”



C – CARE FOR CUSTOMERS

R – RESPECT FOR ASSOCIATES

E – EXCELLENCE THROUGH TEAMWORK

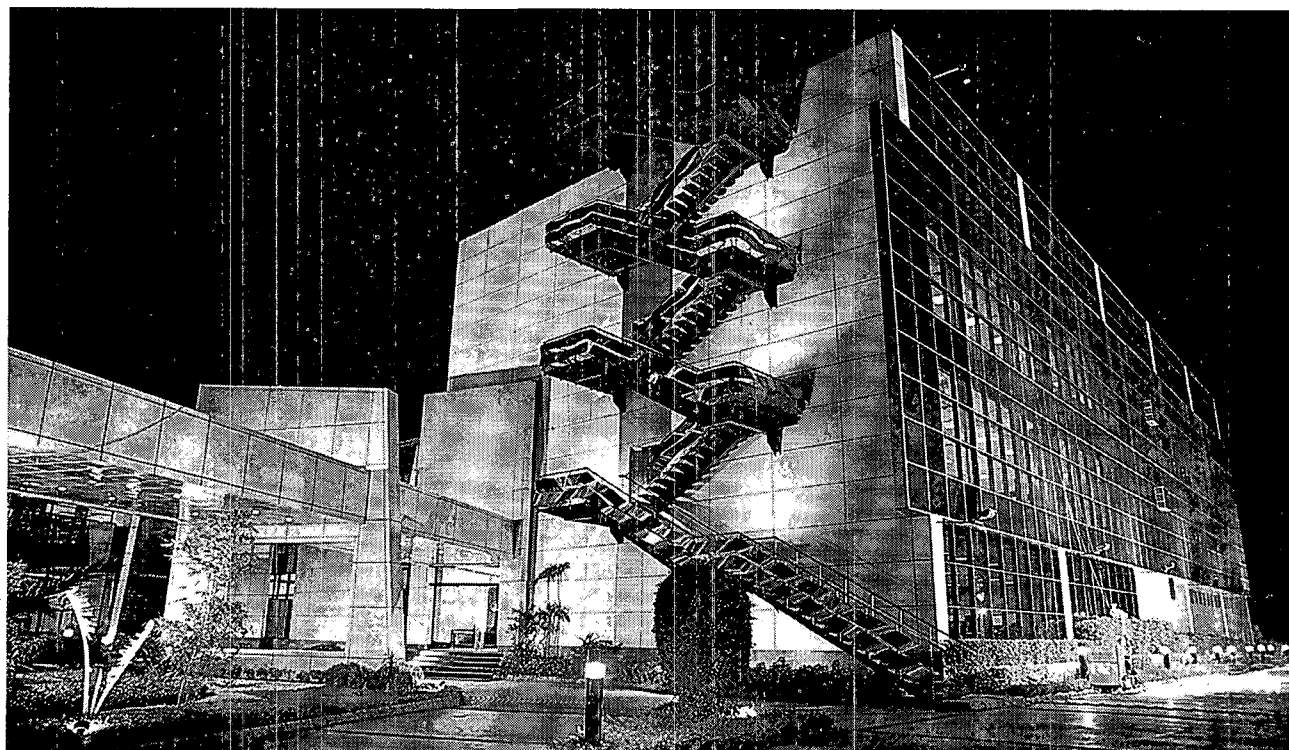
A – ALWAYS LEARNING

T – TRUST MUTUALLY

E – ETHICAL VALUES

Passion in Motion - Key Highlights

- Significant breakthrough in research and development - First tyre company in India to produce winter tyres.
- First ever Vehicle Dynamics Workshop conducted for automobile manufacturers with the support of ATP, Papenburg of Germany.
- Shining examples of Public-Private partnership:
Partnering Gas Authority of India (GAIL) to use surplus run-off gases for steam generation at the Baroda plant.
First to partner with the Rajasthan State AIDS Control Society in launching a clinic at the new Transport Nagar in Jaipur.
- Dunlop South Africa successfully closes the year with record revenues and highest ever operating margins due to productivity improvement and waste elimination.
- Successful management integration between South African and Indian Operations in exchanging best practices and establishing future plans.
- The International Sales team grows revenues by 105% in its first year as a business unit and commences operations in new markets, such as Australia and Bolivia.
- Participation in the Tyrexpo Asia 2007, and winning the Gold Award for the most innovative stall display at the exhibition.
- Effective deployment of the Performance and Career Enhancement (PACE) online human resource tool.
- Aspire wins the Automotive Product of the Year 2007 Award by NDTV Profit and Car India.
- Won the State Pollution Control Award for the Perambra Plant in 2007.
- Special Jury Commendation at the Businessworld FICCI-SEDF Corporate Social Responsibility Award 2007.



Invent Innovate Implement

Dear Member,

One of the most important assets that any organisation has is its people. This asset alone impacts business profitability, enhances performance and guides the vision and values system. As we stand today at a significant inflection point in our journey, we recognise the men and women who have made Apollo Tyres what we are today, and are shaping what we will be tomorrow.

As the world of opportunities continues to unfold before us, we are striving to position your company to capitalise on these to be able to maximise value for all our stakeholders - from customers to employees and from shareholders to the societies we operate in. Our commitment remains to be a leading corporate citizen, a brand of choice and an institution that all those who associate with us can be proud of.

You will of course find elsewhere in this report the story told by our numbers during the course of the year. Suffice it for me to say here that it has been another record breaking year for your Company across all aspects of our performance, whether revenues or profits, marketshares or social responsibility, we have continued to push the envelope on your behalf.

The comparatively stable raw material prices in the first half of FY 2008, coupled with a richer product mix and greater operating efficiencies, resulted in significant improvement in operating profit margin. Your Company has increased its turnover by 12.5% (YOY basis), while the net profit has increased by 93% (YOY basis).

Recent developments like high crude oil prices leading to an increase in raw material cost and the hardening of interest rates are a cause for concern. Foreseeing a scenario, which is prevalent today, your management team has undertaken various strategic measures to ensure that your Company is ready to face the challenges that lie ahead. One of our key strategic measures towards our long term growth and sustainability has been the acquisition of Dunlop Tyres South Africa. I am extremely glad to inform you the integration process has been smoothly completed and that operation is now being ramped up to achieve its next level of efficiency and profitability.

We are also continuing our work to further build the brand in Europe. As a step towards this direction, we have announced a Passenger Car Radial Greenfield project in Hungary. It is our commitment to bring our globally competitive technologies and ethical business practices to this project.

It is the unstoppable spirit of enterprise that continues to drive us at Apollo Tyres. Expansions continue at plants in India and South Africa. The Baroda plant will see a new product line in Off-the-Road Tyres (OTR), a high margin business that will complete the Baroda product portfolio. Our state of the art plant at Baroda is setting standards of excellence in quality manufacturing and product development. It has a renewed focus on manufacturing high end premium products in the Passenger Car and Truck & Bus Radial Segments. This rationalisation will bring about economies of scale and efficiency in production.

In Kerala, we will see increased capacities being put in place besides projects to manufacture Industrial and Specialty Tyres, again high margin categories. In South Africa, both Durban and Ladysmith plants will see significant increases in their capacities of Truck and Bus Radials, Passenger Car Radials and Off The Road tyres.

Your Company, has also announced the setting up of a Greenfield facility in Chennai for Passenger Car Radials catering to the small car tyre segment, an area that is set to grow exponentially as global manufacturers seek to use India as global base for their small car production. At the same time we are also actively venturing into new product segments Truck/Bus Radial (TBR), re-treading and allied automotive services.

With growth comes responsibility and accountability. We have made significant inroads in implementing quality initiatives like Six Sigma and Manufacturing Excellence across the Company.

For the year ahead the motto is Invent, Innovate, Implement. Your Company will continuously strive to invent new applications, bring new innovations into our progress, and instil this spirit of invention and innovation into the implementation of all our work to reduce waste, increase productivity and offer superior value to our customers.

It is important that we give back to society in whatever way we can and if through these initiatives one can build synergy with the core business than it leads to a sustainable effort. We at Apollo Tyres have invested in efforts to build awareness about AIDS and have undertaken to bring solutions to the problems affecting those members of the public that are in closest contact with the company - the trucking community. The setting up of targeted intervention centers called Apollo Tyres Health Care Clinics across many states and transport hubs is an important step towards making a difference. With these initiatives, we at Apollo Tyres take our philosophy of ethical practices beyond the boundaries, and into the community.

In conclusion, I would like to reiterate my firm commitment and belief in taking your Company to ever greater heights, of achievement. You have appointed us as the trustees of your wealth and that is a responsibility that we cherish deeply and take very seriously. *On Behalf of the Board of Directors of Apollo Tyres*. I wish to thank all our customers, investors and other stakeholders for the support and confidence, and assure you of our commitment to strive for bigger achievements in the coming years.

Best Regards

Onkar S. Kanwar

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Chairman & Managing Director

