



MD	BKG	✓
CS	DPY	✓
RO	DTV	✓
TRA	AC	✓
ACN	SR	✓



APOLLO TYRES LTD.





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BOARD OF DIRECTORS

RAUNAQ SINGH

ONKAR S. KANWAR

A.P. KURIAN

K. JACOB THOMAS

K. MOHAN DAS

M.R.B. PUNJA

M.Y. RANADE

NIMESH N. KAMPANI

O.P. GUPTA

R.V. SUBRAHMANIAN

SHARDUL S. SHROFF

VINOD RAI

U.S. OBEROI

CHAIRMAN & MANAGING DIRECTOR

VICE CHAIRMAN & MANAGING DIRECTOR

UTI NOMINEE

KERALA GOVERNMENT NOMINEE

SBI NOMINEE

KERALA GOVERNMENT NOMINEE

CHIEF (PROJ. & CORP. AFFAIRS)
& WHOLE TIME DIRECTOR

COMPANY SECRETARY

P.N. WAHAL

AUDITORS

FRASER & ROSS

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.,
SHANMUGHAM ROAD,
KOCHI-682031 (KERALA)

WORKS

PERAMBRA, P.O. CHALAKUDY,
TRICHUR-680 689 (KERALA)

LIMDA, TALUKA WAGHODIA,
DIST. VADODARA-391760 (GUJARAT)

RANJAN GAON, NAGAR ROAD,
TAL: SHIRUR, DIST. PUNE-419209.
(MAHARASHTRA)

BANKERS

STATE BANK OF INDIA

BANK OF INDIA

BANK OF BARODA

BARCLAYS BANK p.l.c.

PUNJAB NATIONAL BANK

STATE BANK OF MYSORE

STATE BANK OF PATIALA

STATE BANK OF TRAVANCORE

THE SANWA BANK LTD.

UNION BANK OF INDIA

ANZ GRINDLAYS BANK



The Challenge of Change

Dear Members,

Today's India is witnessing change in almost every sphere of life: change which is encompassing not only our economic mindsets but also our socio-cultural framework: change *per se* is inevitable: it is the management of change wherein lies the challenge.

Changing for our consumers, changing for our associates and encouraging profitable change for you, our shareholders, has been the vanguard of Apollo Tyre's philosophy.

I believe it is only when you are flexible and absorbent not just of newer technologies or newer markets that you bring yourself to changing with efficiency and ease. It is a change that is inspired, that is directed towards providing better products at more competitive prices with technology that is the finest. A change which allows companies like Apollo to stand up to the invasion of global corporations and yet remain very effective and very profitable.

For Apollo Tyres, 1997-98 has been a year of challenging and then changing. We have embraced the challenge with vigour and a focus that has led us to record results. I am proud of the people who work at Apollo Tyres and even more so because of the vision they share and the values they embrace. ***At the heart of every person at Apollo Tyres has been the drive to enhance shareholder value and consumer franchise.*** This is where the challenge rests. And this is how we have met it.

The net profit of Apollo Tyres has risen to Rs. 40.7 crores from last year's Rs. 36.8 crores, something even more significant when you consider that this net profit has appreciated even after providing for income tax of Rs. 13.8 crores as against last year's provision of Rs. 5.6 crores.

The determination and hard work of every member of the Apollo Tyres family has ensured our manufacturing capacities have grown to a record 114,000 MT.

We have, in the year under review, achieved 95% capacity utilization even though we faced unprecedented power shortages at our Kerala units.

India is at an exciting stage in its history today: we are part of the global economic mainstream and are yet keen to create an identity of our own. Much as we are doing on the national landscape, Apollo Tyres is also embracing change in the only manner it knows best: by challenging rulebooks; by challenging our competent minds to think fresh; to pursue strategies which will have an enduring impact on shareholder value and thereby on the company *per se*.

It is with a sense of confidence and unbridled strength of conviction that I can say that Apollo Tyres is more than equipped to face the next millennium with its people ready to enter this fast-changing economic world. With courage, conviction and commitment.

Thank you

A handwritten signature in dark ink, reading 'Onkar S. Kanwar'.

ONKAR S. KANWAR
Vice Chairman & Managing Director



APOLLO TYRES LTD.

Regd. Office: 6th floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of APOLLO TYRES LTD. will be held as under:-

DAY : WEDNESDAY
DATE : JULY 22, 1998
TIME : 10.15 A.M.
PLACE : KERALA FINE ARTS THEATRE,
FINE ARTS AVENUE,
FORESHORE ROAD,
ERNAKULAM,
KOCHI-(KERALA)

To transact the following business :-

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended March 31, 1998 and the Reports of the Directors and of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri M.R.B. Punja, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.V. Subrahmanian, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint by Special Resolution, Auditors for the year 1998-99 till the conclusion of next Annual General Meeting and to fix their remuneration. M/s.Fraser & Ross, the retiring Auditors, are eligible for re-appointment.

Special Business

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Nimesh N. Kampani an Additional Director of the Company who holds office upto the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Shardul S.Shroff an Additional Director of the Company who holds office upto the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. A) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to the provisions of Section 17 of the Companies Act, 1956 the following clause 35 be inserted after clause 34 of clause III B of Memorandum of Association :

35(1) To undertake, carry out, lay out, promote, sponsor guarantee or assist in any activity, project for rural development including any programme for promoting the social and economic welfare of or the upliftment of the people in any rural area irrespective of whether the Company has any business dealings in such areas or not and to incur any expenditure or use any of the assets and facilities of the Company on any programme or project or activity of rural development and to assist execution and promotion thereof either directly or in association with any other Company or persons or organisation or through a Trust or Society or an independent agency or in any manner as the Company may deem fit in order to implement any of the projects or programmes or activities of rural development, transfer or lease at such fair or concessional value and divest the ownership of the property of the Company to or in favour of any public or local body, authority, central or state government or any public institution or trust or fund.

- (2) To undertake, carry out, layout, promote, sponsor guarantee or assist in any activity or project either directly or in association with



any other Company or person or organisation or through a trust, society or other independent agency which is likely:

(i) to promote national welfare or social economic or moral upliftment of the society, people or any section of the society or people and in particular charitable, educational, scientific, religious, benevolent, cultural or any other activity.

(ii) to promote and improve national economy and for discharging what is considered to be social and moral responsibilities of the Company to the public or society or any purpose or objects stated herein, transfer or lease at such fair or concessional value and divest the ownership of any property of the Company to or in favour of any public or local body or authority or central or state Government or any public institution or society or trust or fund as the Directors may approve.

B) 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 Section 31 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Agents and Trustees or other Lenders, if required, the existing Article 120 of the Articles of Association be and is hereby substituted by the following with the heading "Chairman/ Vice Chairman":

Article 120

Chairman/Vice Chairman

- (1) The Directors may elect a Chairman and Vice Chairman of their meetings and determine the period for which they shall hold office and unless otherwise determined, the Chairman and Vice Chairman shall be elected annually.
- (2) In the absence of Chairman, Vice Chairman elected by the Board shall automatically Chair the meeting.
- (3) If no person has been appointed as Chairman and/or Vice Chairman under Clause (1) above or at any meeting, the Chairman and the Vice Chairman both are not present within 15 minutes after the time appointed for holding

the meeting, the Directors present may choose one of their number to be Chairman of the meeting."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and/or from the open market and/or from the lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time upto an amount not exceeding Rs.50 crores (Rupees Fifty crores only) and to keep them alive, cancel and/or re-sell from time to time such number(s) of the shares so purchased, at such rate(s) and on such terms as the Board may deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to raise funds to the extent of Rs.50 crores in one or more tranches through issue/private placement of Debentures/Bonds or any other form of securities for the purpose of Buy-Back of Company's securities on such terms and



conditions as may be decided by the Board of Directors and permissible under the law.

RESOLVED FURTHER THAT the Board of Directors of the Company pursuant to Section 293 (1) (a) of the Companies Act, 1956 be and is hereby authorised to mortgage and/or charge and/or hypothecate all the present and/or future immovable or movable properties and the whole or substantially the whole of the undertaking of the Company in such manner as the Board of Directors may decide for the purpose of securing unto the Agents and Trustees for the holders of Non-Convertible Debentures or any debt instrument(s)/securities of the aggregate nominal face value not exceeding Rs.50 crores to be issued, together with interest thereon, further interest, liquidated damages, remuneration or any other costs, charges and expenses of the Agents and Trustees for the holders of the said Debentures/securities and other monies in terms of an agreement to be entered into between the Company and the said Agents and Trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company shall exercise the powers conferred by this resolution only after necessary provision for the purpose is incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the conditions prescribed in such provisions or any other law or regulations and not otherwise."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into/to be entered into by the Company with the Stock Exchanges and subject to the approval of the Financial Institutions (FIs), Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications

as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer and allot equity, preference shares and/or Convertible Debentures (fully or partly or optional or a combination thereof) and/or Non-Convertible Debentures, all/or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature, and/or secured premium notes and/or floating rate notes/bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide which securities when issued or allotted would ultimately result in an increase in the paid up equity share capital of the Company by an amount not exceeding Rs.10 crores to the Members, Employees, Shareholders of Group/ Associate Companies, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies or any other person or entities, whether through Public Issue, Rights Issue, private placement, conversion of loans or otherwise for general corporate purposes including capital expenditure, working capital requirements, strategic investments, mergers, amalgamations, acquisitions, reconstructions or arrangements or re-organisation as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more trenches, with or without rights to vote in General Meetings/Class Meetings of the Company as may be permitted under the then prevailing laws at such price or prices, or in such manner as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the Lead Managers, Underwriters, Advisors and such other persons, and on such terms and conditions including the number of securities to be issued, face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, number of equity shares to be allotted on conversion/ redemption, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other



financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters.

RESOLVED FURTHER THAT such of these Securities to be issued, as are not subscribed may be disposed off by the Board/committee thereof, to such persons and in such manner and on such terms as the Board or Committee may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide.

RESOLVED FURTHER THAT the consent of the Company be and is hereby also granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of defaults in favour of the Agents and Trustees/Lenders for securing the Securities (if they comprise Secured fully/partly Convertible Debentures and/or Secured Non Convertible Debentures with or without detachable or non-detachable Warrants or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest, further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deeds/other documents to be finalised and executed between the Company and the Agents and Trustees/Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Agents and Trustees/Lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit without requiring any further approval of the members of the Company."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 30th August, 1997 and pursuant to the provisions of Section 314 (1-B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, Agents & Trustees of Debentureholders and other lenders, wherever required, and any other approvals, if any required under other laws, consent of the Company be and is hereby accorded to the revision of the terms and conditions of appointment of Shri Neeraj Kanwar, a relative of Shri Raunaq Singh and Shri Onkar S. Kanwar, Managing Directors of the Company, to hold an office or place of profit under the Company as "Chief Manufacturing, Strategic Planning & Co-ordination" or such other designation and with variation in terms and conditions of appointment as may be decided by Chief Executive Committee from time to time, on the following terms & conditions w.e.f. 1st August, 1998 or the date of receipt of Central Government's approval, whichever is later:-

1. Salary : Rs. 50,000 p.m. (in the grade of Rs.50,000 — Rs.2,00,000) with suitable increases as may be determined by Chief Executive Committee of the Company.
2. Commission : 1% of the Net Profit of the Company computed in the manner laid down in Section 309(5) of the Companies Act 1956, subject to a ceiling of 100% of the annual salary.
3. Perquisites, Allowances & other Benefits: Perquisites shall be allowed in addition to salary. Perquisites in Category-A and in excess of



exemption from Income Tax in Category-B shall be restricted to an amount not exceeding 150% of annual salary.

Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows :-

Category - A

This will comprise housing, medical reimbursement, leave travel concessions, club fees and other benefits, allowances, expenses etc. These may be provided for as under:-

I. Housing

- (a) The expenditure by the Company on hiring Unfurnished Accommodation subject to a ceiling of sixty percent of the salary.
- (b) In case the Accommodation is owned or taken on lease by the Company, ten percent of the salary of the appointee shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.

II. Payment of Gas, Electricity, Water Expenses and Furnishing, to be valued as per Income Tax Rules, 1962.

III. Medical/Hospitalisation Expenses Reimbursement Expenses incurred for the appointee and the family in accordance with the rules of the Company.

IV. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the Company.

V. Club Fees: Fees of Clubs subject to a maximum of two clubs. Admission and life membership fees to be paid as per rules of the Company.

VI. Personal Medical/Accident Insurance etc.: Coverage for Personal Medical/Accident Insurance/ Keymen Insurance or any other coverage as per rules of the Company and annual premium for the

same to be paid by the Company.

VII. Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees of his category.

Notes:

- (i) For the purpose of perquisites stated hereinabove, 'family' means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Category - B

I. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, whether singly or put together, are not taxable under the Income Tax Act, 1961.

Gratuity payable shall be in accordance with the rules of the Company.

II. Earned Leave: On full pay and allowances as per the rules of the Company.

III. Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.

Category - C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

4. The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

5. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the