

Wheels within wheels

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ANNUAL REPORT 2004-2005

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*"The endless churning
of thought, expanding
of the boundaries
of mind, towards a
perfect fusion of
form and function."*

Report

Spinning
out ideas



service

Leadership doesn't stop at merely producing innovative and future-proof products. In fact, it begins from there. And spreads in arenas of after sales and technical service. It's these areas where we can touch up on the consumers and help them keep moving ahead. Apollo's technical services comprise of two key sets. The first one that is pre sales services that help us identify defects at the manufacturing stage itself, if any. The second is post sales services which is critical in nature since it involves our customers & the vast dealer network. We have firmly instituted systems to ensure the fastest settlement of claims. In fact it is as fast as 3 days. Within these three days we are able to organise a multi-stepped process that includes inspection, billing, dispatching to dealer. And customer information regarding Claim status being posted. We also make it a point to visit the rejected customers to explain the reasons of rejections. And also advise them on the possible future care. This is far beyond the standard industry practice.

Training of the top Dealers

ATL has formed the GBC (Gold Boys Club) with top dealers. These important business partners have been given extensive training in claim settlement from time to time. This ensures speedy settlement of claims at the GBC counter itself. This is an unmatched trend in the entire tyre industry. Mechanisation of the process. We have introduced 'Inspection spreaders' a convenient mechanical device for ease of inspection. Only ATL puts this machine in use to enhance the quality of service.

Sales Training

We have also trained 200 odd of our sales personnel for claims settlement.

Customer Contact

Each of our Service Engineers is assigned five accounts of Non ATL fleets. And their key task being able to convert them to the ATL fold and make them truly unstoppable.

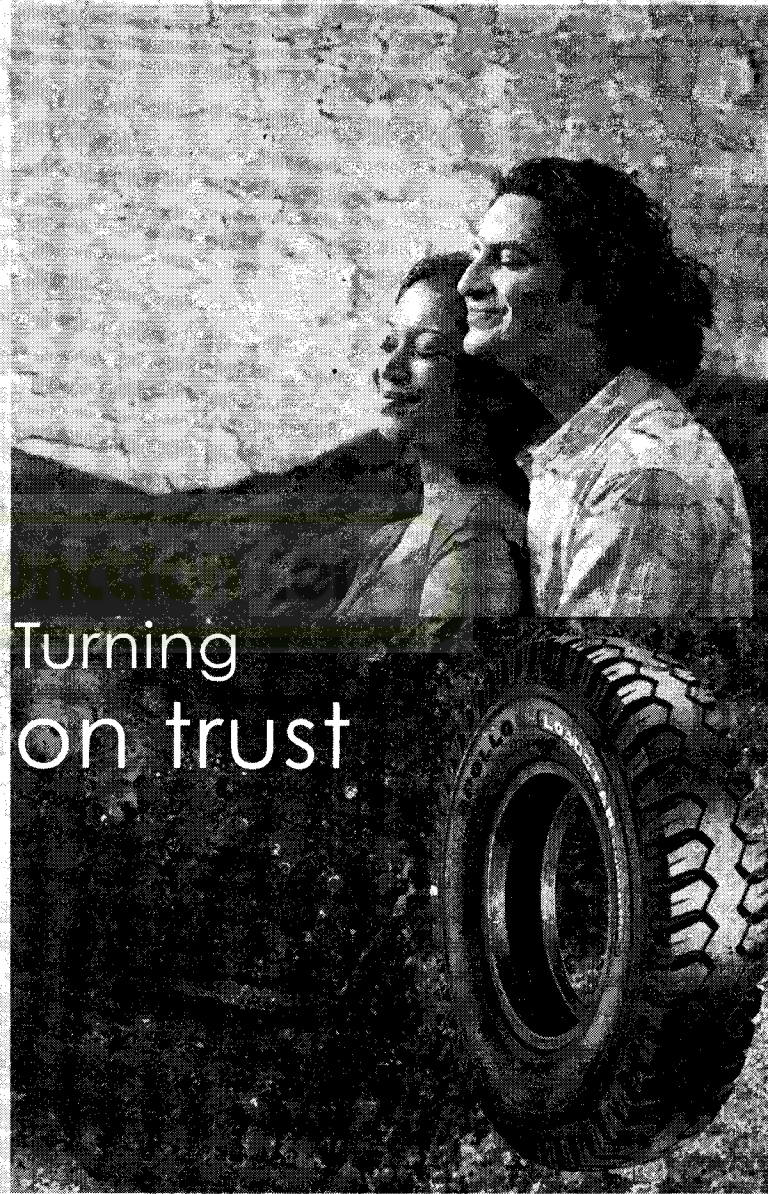


*"A matter of empathy,
of relationships
forged and cherished,
a mind that
anticipates
and acts upon
the moment."*

Report



Turning
on trust



Production

Production facilities form the backbone of any manufacturing based organisation. It plays a pivotal role around which the performance of the entire organisation hinges.

Apollo Tyres Ltd. has accordingly identified the production facilities as the nerve center of the company. Apollo today has four manufacturing locations across the country. Each of these factories have become a center of excellence in their own right.

Their cutting edge lies in not just providing top end production facilities but also in pursuing the highest rung in Research & Development. These are managed by a group of highly qualified Engineers, Scientists and Rubber Technologists. These centers are able to integrate different aspects of Technology, which has helped in accelerating the development activities in a more focussed manner and bring out products to meet the ever-changing market scenario.

It is but natural, therefore that this relentless pursuit for technological excellence has resulted in attaining a very high standard of quality management for our products. Today the products from our stable are truly of international standard. The Limda factory at Vadodara, is a state of the art plant for high-end radial facility for the passenger car segment. There has been substantial investment in the

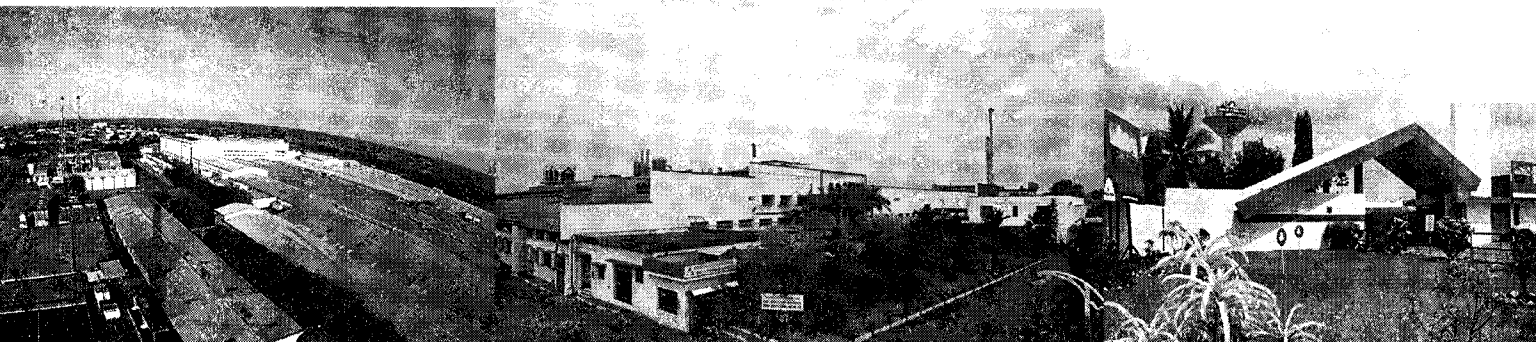
capacity enhancement to reach a current capacity of 300 Tonnes per day. This has catapulted in augmenting the percentage contribution to the OE segment by 122% and even the export by 257%. Introduction of new equipment has resulted in this increased productivity level.

The launch of Acelere – India's first H rated tyre to cater to the top end automobiles has been yet another feather in the cap for our Limda plant. We have also introduced 27 new sizes in the last one year in Limda.

The enormous emphasis on the Radial process did not ever ignore significant achievements in the Bias production process as well. We introduced the latest technology in various areas to ensure improved production and efficiency level for the Bias production at Limda.

Apollo Tyres has two large plants in Kerala with a collective output of 335 Tonnes per day. That actually makes us the largest private sector employer in the state. These two factories primarily focus on Bias production and Farm radial production. We also have a dedicated plant for manufacturing tubes & flaps in Pune.

We remain committed to quality & unstoppable in our pursuit of this technological excellence.



*"In the minds eye
an obsession with detail,
a passion for consistency,
an absolute intolerance
of the smallest flaw."*

Report

Rolling
out quality



People

What is leadership without the right mindsets? At Apollo we realise the importance of the right people and right skills. Importance is therefore given on recruiting the right talent that can not just deliver the right results but also manage the system in the utmost manner. We have traditionally put overwhelming emphasis on the far-reaching training processes on the one hand & transparency on the other. As an integral part of the employee development process we have a robust Employee Development Review (EDR). Despite its intricacies we continue to strengthen and refine it for development of our people. We have also attached enough importance to overall employee development in various forms e.g. Leadership development; Mid-management Development; Self/managerial development etc. And this endeavour pans across all functions of the company. Our people are exposed to

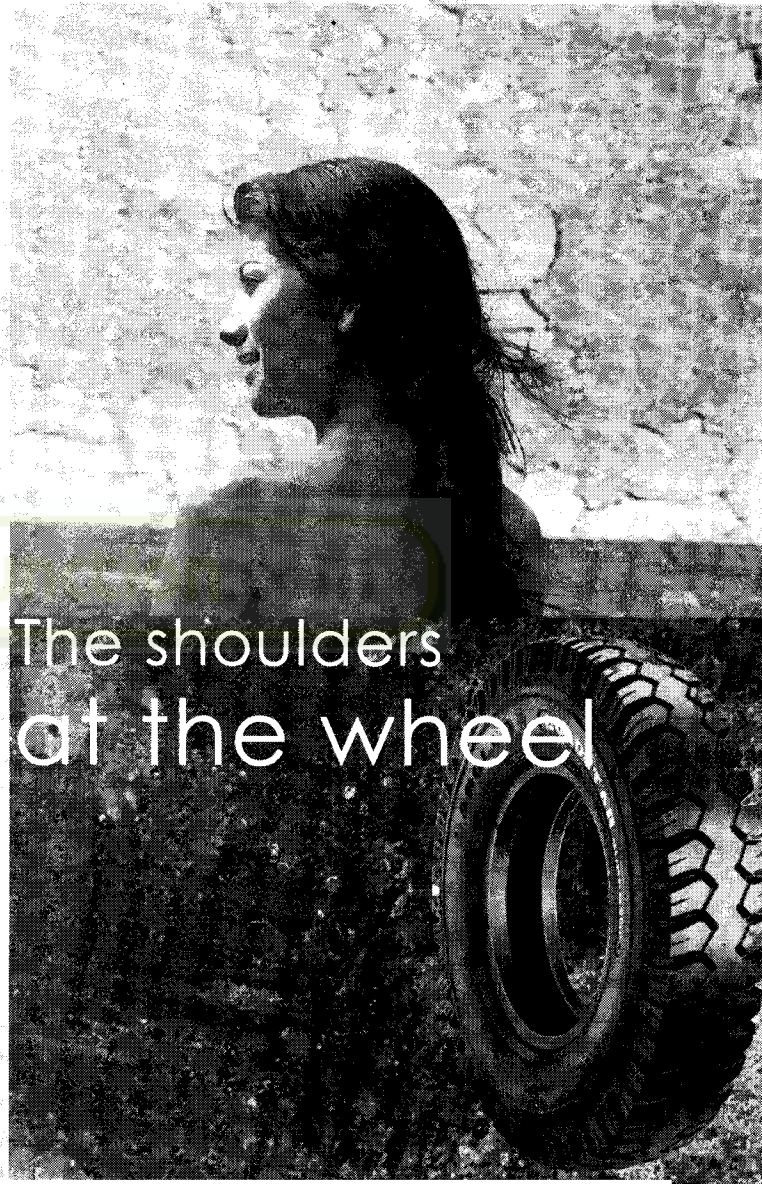
different orientation programmes at regular intervals. Top Managers gain exposure at a global level. Our Zonal/District Managers attend seminars at the best management schools. We conduct Workers' Training Programmes at different plants. The principle of transparency has on the other hand ensured seamless flow of information and data sharing across the company. It has also helped us overcome the unnecessary hierarchical barriers. We also attempt to create a sense of bonding by creating an annual rendezvous of all family members of our people. We branded it as 'Apollo One Family'. Our attempts to create a happy set of Human Resource are strictly monitored through an Employee Satisfaction Survey. Because at the end of all, a company is as unstoppable as the employee and his/her desire is.



*"Strong shoulders and
agile minds;
a diversity of minds
enquiring, obsessed,
bold, compassionate
for the wheel has
need of them all."*

REPORT

The shoulders
at the wheel





chairman's letter

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Dear Member,

These are exciting times that we live in. Exciting for us as Indians and as Apolloites. It is commonly said these days that this is going to be the decade of India, and we at Apollo are also determined to make it our decade, as we capitalise on the opportunities that unfold before us.

As I have been regularly updating you, over the last few years we have been strengthening and preparing your company to take on emerging challenges. The results of this are already visible. In the year under review, we have again grown at almost double the rate of the rest of the industry and have further consolidated our position as India's most profitable tyre company.

The external environment that we battled during the course of the year was particularly hostile. Both our major raw material groups, natural rubber and petroleum derivatives, touched lifetime highs and remained at peak levels for unprecedented lengths of time. We ploughed a lone furrow on the route to profitability, as the industry seemed to prefer volumes to profitability. We remain convinced that the path we have chosen is the right one for all our stakeholders and serves to strengthen your company over the long term.

The year saw us launch a number of very significant initiatives. We introduced - Acelere, India's first range of - Hi speed rated tubeless car radial tyres. The success of this range has exceeded even the most optimistic forecasts, showing that our ability to understand the customers' needs for technologically superior products is as well honed as ever. Our car radial capacity was significantly ramped up to cater to the fast growing demand for these products. From being an extremely small player in this category at the beginning of the year, we are today the market-movers. We have now cemented our leadership position in all the major categories that we operate in and are well poised to leverage this for the long-term benefit of the organisation.

As I sit back and reflect on the year gone by, and think of the opportunities ahead, I am filled with a sense of quiet pride and confidence. Pride that today we have the best people, the best products and the best processes in the industry, to ensure that your company keeps setting the standards. Confidence because I see the opportunities that are coming the way of our great nation and know that yours is the only company in the industry which is so uniquely positioned to leverage these to become a truly world class, and world scale, player. Finally, my pride and confidence come from all of you, our shareholders, who have reposed so much trust in us. We pledge to remain, in Lord Tennyson's words, 'Estrong in will, to strive, to seek, to find, and not to yield.'

Onkar S. Kanwar

Onkar S. Kanwar