

An Organization Study Report of Apollo Tyres Ltd.

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BY

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Under Guidance of

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CERTIFICATE BY THE INSTITUTION

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DECLARATION

I, **Ms. CAROL RINITA BRAX** bearing **USN 1CR19MBA16** hereby declare that the organization study conducted at **Apollo Tyres Ltd.** is record of independent work carried out by me under the guidance of **Dr.Prakash B. Yaragol.** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

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EXECUTIVE SUMMARY

The four weeks implant training of VTU is all about learning an organization and the corporate processes in it. This program is designed with the intention of colligating the organizational context with reference to the operational definition and to apply the concepts already learnt to solve management decisions situations.

The executive summary of this study was assorted into five sections, wherein sec A pertained to the study of industry profile and company profile, pertained to the study of Mckensy's 7' S framework with special references to organization study structure, skill, style, strategy, system, staff, shared value, pertained to SWOT analysis of the company's , pertained to the study of the latest annual report of the company and finally Pertained to the overall learning experience.

The study was dedicated by conceiving the research design of observing, interviewing and undergoing through both primary as well as secondary data. The study mainly concentrates on the study of Mckensy's 7s model. The collected data were analyzed and the findings, suggestions, and recommendations were summed up.

Based on the findings the suitable suggestions were provided so as to make some success in the organization, which would aid in directing the company towards Organizational Effectiveness and Organizational Excellence

CHAPTER 1

INDUSTRY PROFILE

Millennia ago, the primitive man discovered the rudimentary wheel; it was probably just a circular disc with a space for a spoke. Man, in to the modern day tyre eventually developed this rough stone circle. Later, R.W. Thomson invented and patented the pneumatic tyre in 1845. His first design used a rubber inflated tubes instead of leather cover. His design actually had its advantages over later designs. It would take more than one puncture to deflate the whole tyre and varying the pressure could alter the ride conditions. In 1888, John Boyd Dunlop invented rubber pneumatic tyre. Despite these, technologies break through the solid rubber tyre continued to be the dominant tyre. Man has created in the tyre highly sophisticated instruments designed to take us to our desired destination, smoothly and safely. Without the tyre, we can't imagine our everyday life.

Even the most insignificant journey can today be pleasurable with the help of vehicles and tyres. All these journeys are tension-free because of this reason. New technologies have helped to make the tyre capable of protecting man in difficult conditions like rain, sleet and snow.

The Indian Tyre Industry dates back to 1930 when multinationals like Firestone, Good Year and Dunlop entered the market. MRF, Premier and Ceat at various locations in the country carried out the domestic production of the tyres.

The tyre industries were classified under three heads. The first-generation industries viz., Dunlop and Firestone (New Bombay Tyre International Limited) were setup in the late 30's and early-40. The second-generation companies then come up in 60's are MRF Tyres, Ceat, Good Year Tyres and Premier Tyres. The third generation that was setup in 70's is JK Tyres, Vikrant Tyres, Apollo Tyres and Modi Rubber.

The first Indian Company Dunlop Rubber was incorporated in 1926 the tyre industry is growing rapidly and today its turnover is 1, 00,000 million and earning an income of Rs. 1,000 crore per annum for exports. The industry had a growth rate of 11% over last decade. Market for tyres can be broadly classified or segmented into 3 categories.

In the present scenario, the Indian tyre industry is two tiered. The tier I players account for around 85% of the industries turnover with a well-diversified product mix and presence in all three major segments of the replacement market, original equipment manufacturers and exports. Tier two companies are smaller in size, with a focus only on one or two categories of tyres, plus tubes and flaps primarily for the replacement market.

The commercial vehicle tyres market is the largest segment of the industry accounting for approximately 70% of industry turnover in terms of value. Steep rise in raw material prices, particularly natural rubber, impacted the profit margins of all the players. This was the fourth consecutive year of raw material cost-push, both for natural rubber which increased by approximately 24% as compared to 2005-06 and crude oil linked raw material basket, particularly carbon black. Consistent rise in major raw materials costs (natural rubber, carbon black, synthetic rubber) have resulted in pressure on the margins of the tyre companies despite good topline growth. However, the ability to pass on the increased cost to customers to some extent, facilitated by the tight demand – supply situation has resulted in margin improvement for the industry in the second half of the year.

The year ahead looks tough with no significant respite in raw material prices. The cost push continues and profitability would depend on the ability of the players to take large price increases. The story on the demand front though looks good in the medium term with the economy continuing to do well.

Industry of Tyre Company Comprises of:

Industry turnover	Rs. 14,500 crores
Total number of tyre companies	43
Industry capacity utilization	Estimate 89 %
Major Players	MRF, JK, Apollo Tyres and CEAT

Highlights of Indian Tyre Industry:

The fortune of this industry depends on the agricultural and industrial performance of the economy, the transportation needs and the production of the vehicles.

- While the tyre industry is mainly dominated by the organized sector and the unorganized sector holds away in bicycle tyres.
- In the last five years the industry managed to achieve a compound annual growth of only 4.40%. However, in the last fiscal years, the industry registered a growth of 7%.
- The Indian tyre industry is estimated to be an Rs: 14500 cr industry.
- The ratio of natural rubber content to synthetic rubber contents is 80:20 in Indian tyres whereas world-wide, the ratio is 30:70.

Ranking of Indian Tyre Companies on the basis of production:

1. MRF Tyres Limited
2. Apollo Tyres Limited
3. JK Tyres Limited
4. CeatTyres Limited
5. Modi rubber tyres limited
6. Birla tyres limited
7. Good year India limited
8. Vikrant tyres limited

INDIAN SCENARIO

Company	Market Share
MRF	21.2 %
Apollo	20.1 %
JK	14.5 %
Ceat	13.2 %

Birla	7.0 %
Good Year	6.0 %
Others	7.0 %

Indian tyre industry comprises of 12 major companies, 13 minor companies and 34 minor plants manufacturing low technology products such as small tubes and flaps. There are top players in the filed having 69 % of market share.

YEAR	RANK
2003	17
2005	16
2007	18

EXPORT MARKET

The major segments are Truck, Bus and Car tyres. Value share of truck and bus segment is about 73 %. Replacement market forms largest segment about 58 %, OEM is about 22 % and Export market for about 5 %.

The major exporting countries of Apollo Tyres:

- 1) Germany
- 2) Japan
- 3) Italy
- 4) USA
- 5) South Africa
- 6) Brazil
- 7) Canada
- 8) Ireland
- 9) UAE

SECTOR TRENDS

Cross ply tyres has been used in India for several decades. In these tyres, the ply cords run across each other or diagonally to outer surface of the tyre Rayon and Nylon tyre cords are used as the reinforcing medium. These tyres can be rethreaded twice during their life time and are hence preferred by Indian transport operators who normally overload tones is usually loaded with double the capacity. Moreover, one also has to content with suspensions and bad road conditions. No wonder, 95 % of the tyres used in India are cross plies.

Radial tyres have their cords running rapidly from bead at 90-degree angles to the rim or along the outer surface of the tyre. The reinforcing mediums used in these are polyester, nylon, fiberglass and steel. Hence these tyres are 40 % more expensive than cross piles. But they have a longer life and provide lower fuel consumption. The unhealthy condition of the Indian roads has resulted in radial tyre accounting for only 5 % of the tyre industry as against a global trend of 60% with two-third of all major tyre manufacturers

being reserved for radials, this is a real cause for concern.

OUTLOOK

Globally the OEM segment constitutes only 30 % of the tyre exports 10 and the balance from the replacement market. In India, the scenario is quite different. Nearly 85 % of the total tyre demanded in the country is for replacement. This anomaly has placed the retraders in a better position than the tyre manufacturers. Retreading is looming over the tyre industry as a colossal threat.

Indian tyre exports cater to over 40 countries. Approximately 20 % of total truck and bus tyres produced domestically the US. As far as exports are concerned, the demand in the export market is a function of factors such as exchange rate of domestic currency against US Dollar. The export benefits to the Indian tyre industry cost competitive of other major exporting countries and the subsidies granted by respective governments.

The exports and the average exports prices of bus, truck and LCV tyres from India are under threat from the cheaper Chinese exports. The improved performance of Chinese tyres coupled with 40-50 % lower prices is threatening the market share of Indian companies in the export market. The industry is also facing severe threat of dumping

of cheap tyres by South Korea. Another threat to the industry is the price of its raw materials, most of which are petroleum by products. Carbon, synthetic rubber and nylon tyre cord are off shoots of petrochemicals. Thus, the future of the industry will swing with the supply of crude oil.

The biggest threat will be from global majors like Bridgestone and Michelin, which control 36 % of the global tyre market. The vast growth potential of the Indian market is becoming them towards India. The industry is driven more by volume than by margins and each of the big five in the global tyre industry; Continental, Michelin, Good year; Pirelli and Bridgestone generate an annual tyre production equivalent to the total demand of the Indian market.

THE GLOBAL TYRE INDUSTRY

In FY 2005, the global tyre industry was estimated to be worth US\$ 101 billion. In the last five years, the global tyre market has been growing at a CAGR of 10.2%. To be more specific, during the last 2 years (2004-2005) it has grown at a rate of 15.5% and 9.0% respectively. Apart from that, the tyre industry is highly concentrated and is characterized by the dominance of a few large companies. The top three players (Bridgestone, Michelin, & Goodyear) account for 53% of the market share while the top 7 account for 70% of the market share. Moreover, if you look at the global tyre market, passenger cars and light trucks account for 63% of the tyre sales. Considering this statistic, many global manufacturers have entered developing & growing markets like China and India either through direct entry or joint ventures / technical collaborations.

CHAPTER 2

ORGANIZATIONAL PROFILE

Global Ranking of Apollo

CHAPTER 2

ORGANISATION PROFILE

*Apollo*Tyres Limited is the second largest tyre company in the country. Apollo Tyres Ltd is the flagship company of the Raunaq Group. The company is the leading manufacturer in the truck tyre segment in the country with a market share of nearly 30 percent. Other product of Apollo Tyres Ltd includes tubes and flaps for heavy duty trucks, passenger cars, tractors, light commercial vehicles.

GROUP APOLLO PROFILE

Backed by three decades of excellence, group Apollo is a significant global player with a turnover of over 2700 crores / USD 625 million. A professionally managed group, it comprises of two main companies.

Apollo Tyres Limited

An established market leader in the tyre manufacturing industry, Apollo Tyres Limited has grown to become one of India's most well known manufacturers of tyre since inception in 1972. Backed by a vast network of 5000 dealers across India, Apollo Tyres Limited is the fastest growing name in the tyres today. The first ISO 9001 certified company, it entered in to a joint venture with another world leader Michelin Tyres in November 2003, symbolic of its aim of becoming a total tyre company catering to the world market.

Apollo International Limited

Set up in 1994 with the aim of leading the diversification forays of group Apollo into new, emerging business opportunities, Apollo International Limited acts as a gateway for all international operations of the group namely, product exports, service exports and knowledge management.

Today Apollo International Limited has earned for itself an enviable reputation in the global arena through its forays into international tyre trading with Tyre Tech Global, International trading with International Business Division, the manufacture and export of leather garments and accessories with Tag Fashions, and more recently in the domestic Indian entertainment business with lotteries through its wholly owned subsidiary Encorp E-Service Limited.

Apollo an ISO 9001 Company:

Apollo tyres limited is the 7th in the India and the 18th largest tyre company in the world. It is the 1st tyre company in India to obtain ISO 9001 certificate for all its operations on 25th November 1994.

Vendor Companies Of Apollo

Trucks : Telco, Ashok Leyland.
Radials : Maruthi, M&M, Telco.
LCV : Eicher, Telco, Bajaj, Swaraj Mazda.
Farm : M&M, Punjab Tractors.

a) APOLLO TYRES BACKGROUND AND INCEPTION

The history of Apollo Tyres Ltd is about a company's passion , determination and will to surpass all obstacles and emerge as a leader in the Indian tyre industry. Named after the radiant Greek Sun God Apollo, the company has created a niche for itself in the Indian tyre market.

Apollo TyresLtd's history dates back to the early 70's.It was Ruby Rubber works, which was given the license to start a tyre factory (at Chengnassery , Kerala) and It was thus registered and incorporated in 1972.In 1975, the Raunaq Group of companies under the chairmanship of Mr. Raunaq Singh purchased the license and thus the first manufacturing unit was started at Perambra near Cochin in 1977.

The Kalamassery unit of Apollo tyres was earlier Premier Tyre Ltd. Premier tyre belonged to the second generation tyre industry in India, which was incorporated on 19th October 1959 in Kerala at Kalamassery. The foundation stone was laid on 18th January 1960 by the Prime Minister Jawaharlal Lal Nehru. It was established with Uni Royal, USA. The factory started its commercial production in May 1962 and was owned by Desai group of companies, Mumbai. This company was setup as a joint venture ie, public and private sector. During initial stages the company has to face several obstacles. There was severe competition, shortage of raw materials, labor problems etc but after this brief period it got well established in 1960's.

The situation changed in 1980's, the company set back from 1985 to 1989 due to financial problems and consequent loss of production and market share. The company

has to declare lockout on 24 February 1993. The government of Kerala and Board of Directors finally implemented BIFR schemes under sec. 19(3) of Sick Industries Company Act 1985. The company was taken over by M/S Apollo tyres ltd and had given 45.5 crores.

Key Milestones:

- 1972: The company's license was obtained by Mr. Mathew T Marattukalam, Jacob Thomas and his associates.
- 1974: The company was taken over by Dr. Raunaq Singh and his associates.
- 1975: April 13, Perambra Plant Foundation stone was laid down.
- 1976: Apollo Tyres Ltd. was registered.
- 1977: Plant commissioned in Kerala with 49 TPD capacities.
- 1982: Manufacturing of Passenger Car Radial Tyres in Kerala.
- 1991: The second plant commissioned in Baroda.
- 1995: Acquired Premier Tyres Ltd. in Kalamassery, Kerala.
- 2000: Exclusive Radial capacity established at Baroda.
- 2003: Radial Capacity expanded to 6600 tyres per day.
- 2003: November 17, Joint Venture with Michelin.
- 2004: Launch of Apollo Acelere- 'H' Speed Rated Car Radials.
- 2006: Launch of Dura Tread, traditional material and solutions.
- 2006: January 30, Dunlop South Africa is acquired.
- 2007: Launch of regal truck and bus radial tyres.
- 2007: Launch of Dura tyre, rethreaded tyres from Apollo.
- 2007: Launch of the Apollo tennis initiative and mission 2018.

NATURE OF THE BUSINESS CARRIED OUT

APOLLO TYRES Ltd is one of the leading manufacturers of automobile tyres. Apart from tyre they produce tubes and flaps for heavy duty trucks, passengers' cars, tractors, light commercial vehicle and new generation vehicle. The company is also involved in the sales and services of tyres.

There are 3000 exclusive outlets under the brand name Apollo tyre world and Apollo radial world for Apollo Tyres. Their quick response mechanism enables prompt product delivery and after sales services to provide holistic solution for customers.

Set up in 1994 with the aim of leading the diversification forays of group Apollo into new, emerging business opportunities, Apollo International Limited acts as a gateway for all international operations of the group namely, product exports, service exports and knowledge management.

Today Apollo International Limited has earned for itself an enviable reputation in the global arena through its forays into international tyre trading with Tyre Tech Global, International trading with International Business Division, the manufacture and export of leather garments and accessories with Tag Fashions, and more recently in the domestic Indian entertainment business with lotteries through its wholly owned subsidiary Encorp E-Service

VISION, MISSION AND QUALITY POLICY

VISION

“A leader in the Indian Tyre industry and a significant global player, providing customers delight and enhancing shareholders value”. It is their vision to nurture and cherish Apollo Tyres Ltd in the position of a leader of the industries in India, who is also recognized and respected as a manufacturer of the world class product.

They shall create in Apollo Tyres Ltd a company of people who enjoy working as a team and with their customers to create superior and distinct product and services, focused fast and flexible, they seek never ending improvement in order to create an enterprise that is dynamic, ever expanding, profitable, constant pursuit and customer satisfaction.

The one word that symbolizes all that they believe is “**C R E A T E**”

- **C- CARE FOR CUSTOMER**
- **R- RESPECT FOR ASSOCIATES**
- **E- EXCHANGE THROUGH TEAM WORK**
- **A- ALWAYS LEARNING**
- **T- TRUST MUTUALLY**
- **E- ETHICAL PRACTICES**

MISSION

“It is our mission and cherish Apollo tyres ltd in the position of a leader of the industry in India, who is a recognized and respected, as a manufacturer of world class products.”

“We shall create, in Apollo tyres ltd, company of people who enjoy working as a team and with our custom to create superior and distinct products and services.”

“Focused, fast and flexible we seek never ending improvement in order to create an enterprise that is dynamic, ever expanding, profitable and in constant pursuit of custom satisfaction.”

QUALITY POLICY

Quality is the first pillar of the organizations “passion in motion” journey. The objective is to weave quality completely into the fabric of Apollo tyres.

Consistently, measurability and reliability are fundamental to enhancing process efficiency and effectiveness in terms of flexibility to customer requirements, effective deliveries of products and services and increased profits. The six-sigma quality process introduced and followed across the organization prepare it to be at par with (or better than) the best in the world.

Employees imbibe the quality process in “quality awareness programmes” across all manufacturing locations. In fact, around 400 people across all locations are inducted into quality programmes through more than 50 workshops.

With all this and more, Apollo dares towards world class processes with self-reliance in high – end technology.

QUALITY PLEDGE

<u>PRODCT CATEGORY</u>	<u>PRODUCT NAME</u>
Truck Tyres	Loadstar super, Load star super star super gold, Humsafar Xeplus, Kaizen 50 L, KZ 77-R, MXL-1,Commando, Haulug,XT-7, XT 9, Amar
PASSENGER CAR TYRES	Anduxt-9, Amardlx, Strom, armour Gripper, Hunter, Celebrity.
LCV TYRES	Amazer Steel, Panther, Lancer, Mile star, BHIM, AMAR
Two-wheeler tyres	Blackcat, ACE
Tractor Tyres	Krishak, Power Haul
Tractor Trailer System	SAPANC, HTF, Kissan TF, Rider TT, Super Amar TT, Truck PIAGTT, Dharv TT.

“We the people of Apollo Tyres Ltd will create an enterprise committed to quality. It is our policy to manufacture, design and service our products to provide the level of quality and value that meet every customer need. We will aim to create customer enthusiasm through continuous improvements in our product and services. We are committed to excellent in the

way we work together with in the organizations well as outside aimed at total customer satisfaction”

Ingredients to make a tyre:

Rubber	50%
Carbon Black	23%
Fabric	11%
Process Oil	5%
Bed Wire	4%
Zinc Oxide	3%
Steeric Acid	1%
Anti-Oxidant	1%
Sulphur	2%

AREA OF OPERATION

Apollo Tyres Ltd is the first multinational Tyre manufacturer in India. The corporate office of Apollo Tyres Ltd is at Gurgaon. The production houses of the company in India are located at,

- Perambra (Kerala)
- Limda (Gujarat)
- Pune (Maharashtra)
- Kalamassery (Kerala)

International production houses of Apollo Tyres Ltd are located at:

- Durban (South Africa)
- Lady smith (South Africa)
- Bulawayo (Zimbabwe)

Distribution Network:

Aiming to make the most of ongoing growth in the promising world tyre market, Apollo tyres is expanding its operations by fortifying local production capacity, product line ups and depth into the market. With over 120 sales and service stock points, 5 zonal offices, 18 state offices and 11 redistribution centers, Apollo tyres is poised to penetrate its presence to the farthest corners of the country. A 4032 strong dealership network along with 2138 Apollo tyre world, 194 Apollo radial worlds and 61 Apollo Pragati Kendra's ensures that Apollo tyres is never very far from its customers.

The over 3000 exclusive Apollo tyre world and Apollo tyre radial outlets have initiated a quick response mechanism by enabling prompt product delivery and after sales service to customers through the country carrying forward a similar spirit are the Apollo Pragati Kendra's. This initiative not only provides the latest form technologies to our customers through our tie up with domain specialists in this area but also help our customers to choose the best suited products for their application.

On the global forefront, Apollo tyres has firmly grounded its feet in South Africa by integrating Dunlop's operations.

The manufacturing facilities at Durban, Ladysmith and Zimbabwe have helped Apollo in consolidating its position in the highly competitive tyre market. With 5 sales, service and branch offices, 9 regional offices and 3 distribution centers at Ladysmith, Durban and Jet park (Johannesburg) the company is all set to meet the demands of a plethora of its international clients. In the current scenario, its total dealer count stands at 936 out of which 193 are Dunlop accredited dealers. Apollo is the only company to have a chain of independent dealers (DAD's), retaining the flavour of entrepreneurship.

Zone 1) Delhi, Haryana, Punjab, Utter Pradesh.

Zone 2) Rajasthan, Gujarat, Madhya Pradesh.

Zone 3) West Bengal, Bihar, Orissa, Assam.

Zone 4) Tamil Nadu, Karnataka, Kerala.

OWNERSHIP PATTERN

Apollo Tyres Ltd. is a public limited company in the private sector. The share holding pattern of the company is as follows:

Shareholding Pattern:

Category	No. of Shares Held	% of Share Holding
Promoter's Holding		
Promoters		
Indian Promoters	15047065	39.25
Sub Total	15047065	39.25
Non-Promoter's Holding		
Institutional Investors		
Mutual Funds and UTI	5971859	15.58
Banks, Financial Institutions, Insurance Companies	2006901	5.23
FIIS	3379257	8.81
Sub Total	11358017	29.63
Others		
Private Corporate Bodies	1589701	4.15
Indian Public	3872658	10.10
NRI/OCBs	258036	0.67

Any Other		
Government of Kerala	500000	1.30
Companies Financier Michelin	5712500	14.90
Sub Total	11932895	31.13
Grand Total	38337977	100.00

Total Foreign Shareholding is 93,49,793 equity shares representing 24.38% of the total capital.

COMPETITORS INFORMATION

In this world of highly competitive and technology, Apollo has also suffering from strong competition from its competitors. There are Indian and global competitors for Apollo.

In Indian Market:

There are many competitors for Apollo in Indian market, they are

- a) MRF Tyres Limited
- b) JK Tyres Limited
- c) CeatTyres Limited
- d) Modi Rubber Tyres Limited
- e) Birla Tyres Limited
- f) Good Year India Limited
- g) Vikrant Tyres Limited

In Global Market:

Some of the global competitors of Apollo are:

- a) Bridgestone
- b) Michelin
- c) Continental
- d) Cooper tire
- e) Sumitomo
- f) Pirelli
- g) Yokohama rubber

h)INFRASTRUCTURAL FACILITIES

The Apollo house at Kalamassery has the following facilities:

1. SECURITY OFFICE
2. ADMINISTRATIVE BLOCK
3. TWO- WHEELER PARKING AREA
4. TIME OFFICE
5. CANTEEN
6. WEIGHING BRIDGE
7. WORK BLOCK
 - Utility
 - Raw material store
 - Finished goods store
 - Engineering stores
 - Cement house
 - First aid center
 - Quality Assurance center
 - Pulley wheel center
 - Electrical workshop
 - Mechanical workshop
 - Instrumentation lab
 - Calibration lab
 - Laboratory
 - Research & Development lab

- Fire station
- Diesel power house

For transportation of raw materials and finished goods company is mainly depending on road ways (No railways transportation is used and shipping is done from the Cochin seaport)

ACHIEVEMENTS AND AWARDS

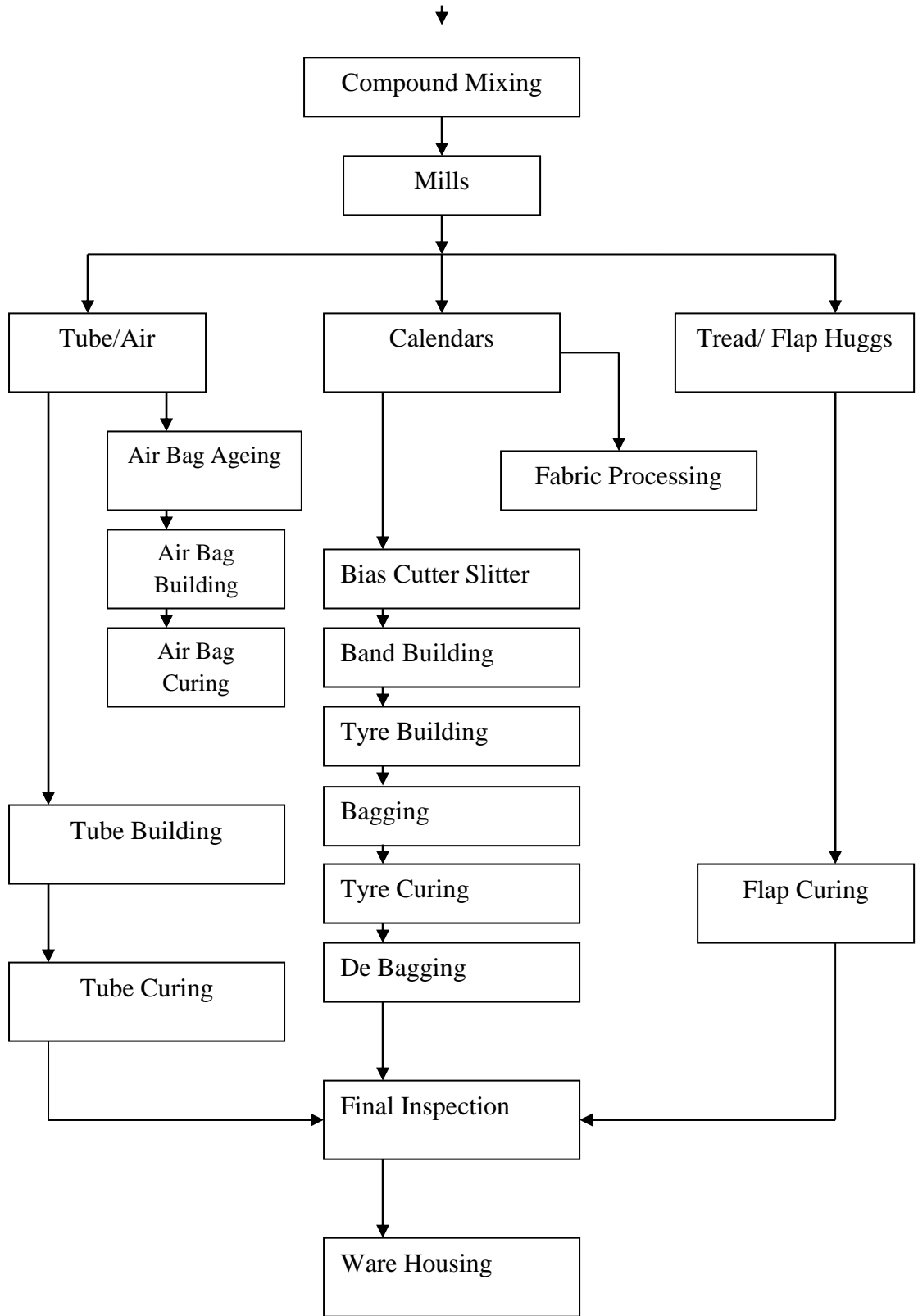
A bird's eye view of Apollo's achievements since their incipient days:

- Fastest growing Tyre company in India, 5th in the world.
- The first tyre company in India to obtain ISO 9001 certificate for all its operations.
- The first multinational tyre manufacturers in India.
- Sixteenth largest tyre company in the World.
- The first tyre company to introduce packing for tubes, two-wheeler tyres and car tyres.
- The first tyre company to have the concept of exclusive showrooms for truck tyres called Apollo Tyre world.
- The only tyre company with more than 100 sales & services offices in India.
- Leading company in Indian truck tyre segment.
- Largest distribution network in India.

Apart from these achievements Apollo Tyres Ltd got various awards from National Safety council, pollution control department and many others.

WORK FLOW MODEL

Raw Material Purchase



FUTURE GROWTH AND PROSPECTS

Company has plans for period expansion in passenger car and light radial tyre categories in near future; increasing the capacity of the passenger car radials to three lakh units per month and light truck radials to 5 lakh units per month at company's radial facility at Baroda and Kochi plant to reach to achieve capacity of 360 ton per day and 270 ton per day respectively. Company is also planning for more acquisitions globally.

In the future era the company is planning to diversify its business into new businesses.

They are:

- Tyre re-treading plant
- Tyre manufacturing machinery
- Logistics and financial services

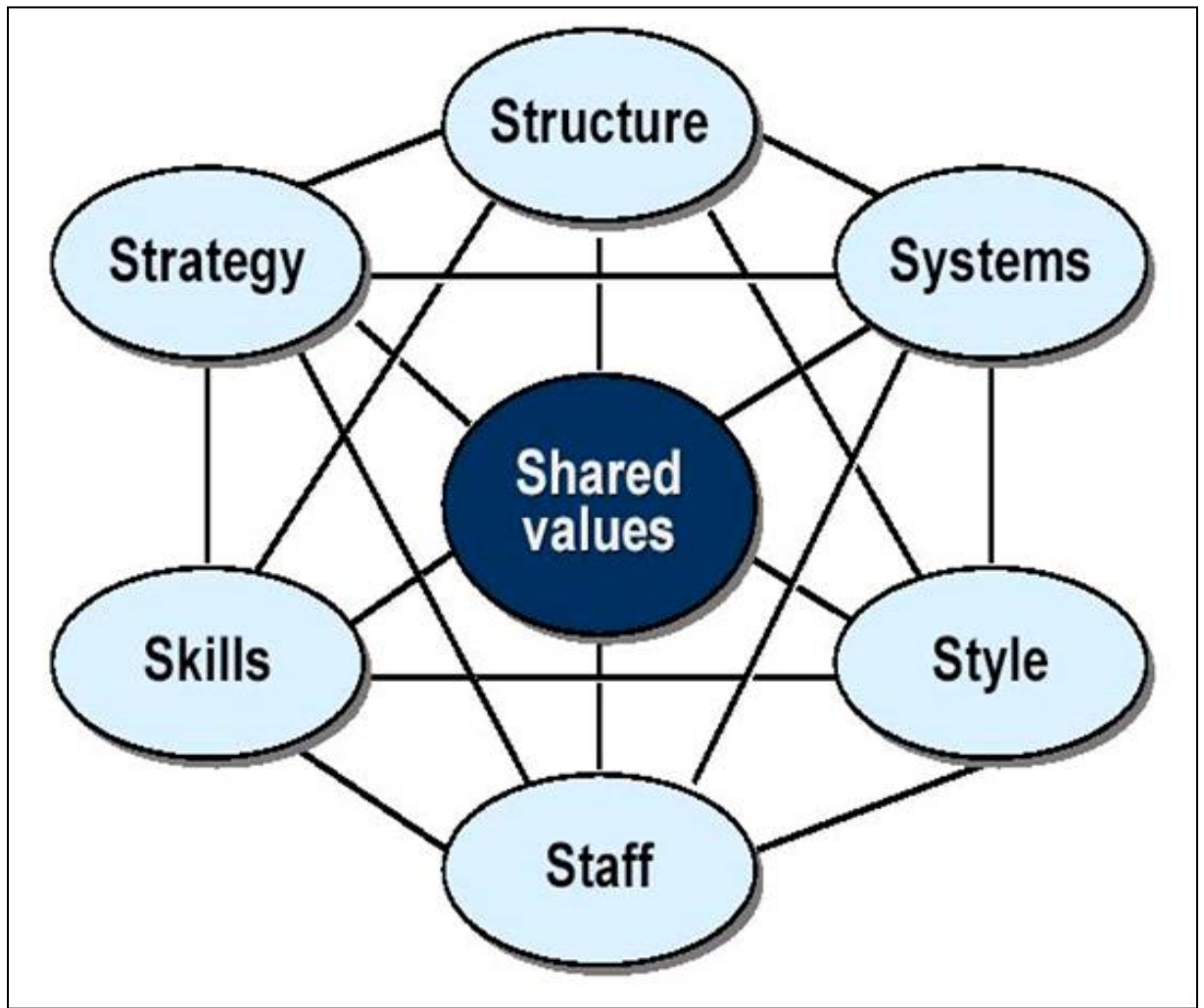
The company is planning to explore the potential of the Russian tyre market.

China

- Capitalizing on the country's immense potential as a manufacturing base.
- Diversifying into new related products such as new sizes in tyres and variety of end uses from the perspective of China as the end market.
- Expansion of existing capacities through acquisition of tyre plants in China.
- Building an extensive marketing network all over China for tyre supply.

CHAPTER 3

**MCKENSY'S 7 S FRAME WORK WITH SPECIAL
REFERENCE TO APOLLO TYRES LIMITED.**



It's all very well devising a strategy, but you have to be able to implement it if it's to do any good. The 7 S framework first appeared in "The Art of Japanese Management" by Richard Pascale and Anthony Athos in 1981. They had been looking at how

Japanese industry had been so successful, at around the same time that Tom Peters and Robert Waterman were exploring what made a company excellent. The seven S model was born at a meeting of the four authors in 1978. It went on to appear in “In search of excellence” by Peters and Waterman, and was taken up as a basic tool by the global management consultancy McKinsey: it’s sometimes known as the McKinsey 7S model.

Managers, they said, need to take account of all seven of the factors to be sure of successful implementation of a strategy- large or small. They’re all interdependent, so if you fail to pay proper attention to one of them, it can bring the other crashing down around you. Like a lot of these models, there’s a good dose of common sense in here, but the 7S Framework is useful way of checking that you’ve covered all the bases.

To better represent the challenges of service marketing McKinsey developed a new framework for analyzing and improving organizational effectiveness, the 7S model:

SOFT S’s:

The 4 S’s across the bottom of the model are less tangible, more cultural in nature, and were termed ‘Soft S’s by McKinsey:

- Skill: The capabilities and competencies that exist within the company.

- Shared values: The values and beliefs of the company. Ultimately, they guide employees towards ‘valued’ behavior.

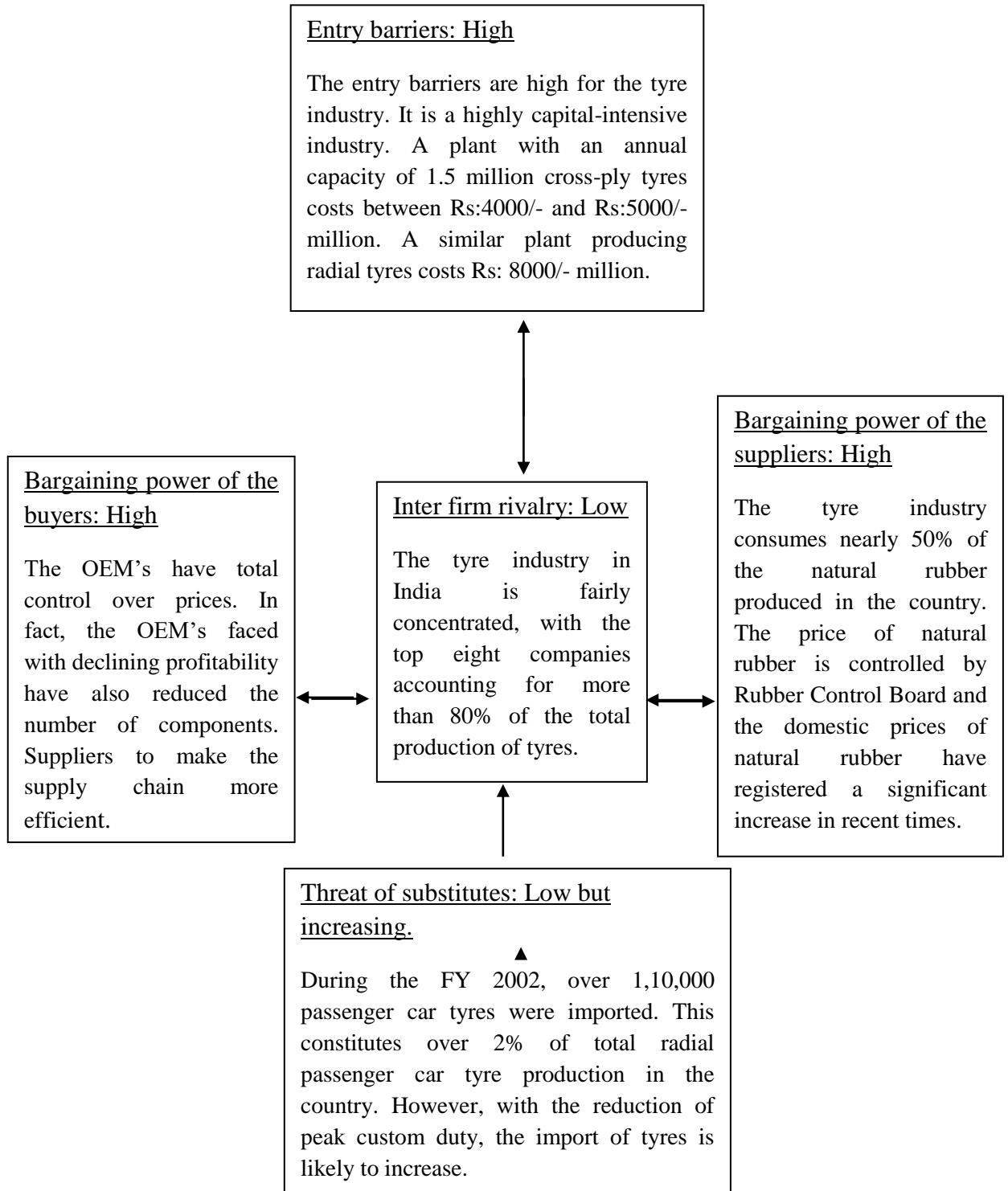
- Staff: The Company's people resources and how they are developed, trained and motivated.
- Style: The leadership approach of top management and the company's overall operating approach.

HARD S's:

The 3 S's across the top of the model are described as 'Hard Ss':

- Strategy: The direction and scope of the company over the long term.
- Structure: The basic structure of the organization, its department, reporting lines, areas of expertise and responsibility (and how they inter-relate).
- System: The formal and informal procedure that govern everyday activity, covering everything from the management information system, through to the systems at the point of contact with the customer (retail systems, call center systems, online systems etc.)

PORTER'S FIVE FORCE MODEL



CHAPTER 4

SWOT ANALYSIS OF APOLLO TYRES LTD.

STRENGTHS

- Continued Market Leadership in the dominant industry segment i.e. Truck/Bus Tyres.
- Global presence with acquisition of Dunlop Tyres International (Pty) Ltd in South Africa.
- Robust Operation Centre for managing IT operations across 140 Locations supported by – ERP/Dealer Portal/Information Systems Security Control etc.
- Presence in technology products in car radial segment.
- Dynamic & Progressive Leadership.
- Responsive to changes in market conditions and product profiles.
- Product innovation and technical superiority.
- Strong Brand recall in price sensitive market.
- Economies of transportation cost on account of closeness to natural rubber growing belt.

WEAKNESSES

- No presence in two/three-wheeler segment.
- Declining profit margins due to raw material cost push.

OPPORTUNITIES

- Continuous thrust in infrastructure and construction of expressways & national highways. Creation of road infrastructure has given, and will increasingly give a tremendous fillip to road transportation in the coming years. Tyre industry will play an important role in this changing product mix of transport.
- Leadership position in the commercial vehicle segment will enable the company to leverage new and related business opportunities.
- Access to global sources for raw materials at competitive prices due to economies of scale.
- Steady growth in vehicle production in the immediate future leading to growing demand.

THREATS

- An increase in the flow of tyres from competitive sources like China.
- Cheaper import on account of import from countries which are signatories to Regional Trading Agreements (RTA's).
- With crude price scaling upwards, pressure on raw material prices can be expected.
- Continuous increase in the price of natural rubber, which accounts for nearly one third of total raw material cost.

CHAPTER 5

ANALYSIS OF FINANCIAL STATEMENTS

Turnover of Apollo Tyres Ltd during 2000-01 to 2006-07

Year	Turnover (Rs in Crores)
2000-01	1458.7
2001-02	1710
2002-03	2025.10
2003-04	2240.7
2004-05	2314.3
2005-06	2656.8
2006-07	3000.1

Net profit of Apollo Tyres Ltd during 2000-01 to 2006-07

Year	Net profit (Rs in Crores)
2000-01	25.42
2001-02	36.81
2002-03	120.02
2003-04	70.42

2004-05	67.63
2005-06	72.37
2006-07	78.17

**ANNUAL REPORT OF APOLLO TYRES LIMITED FOR
THE YEAR 2019-2020**

Financial Performance:

Annual Reports:

Particulars	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Standalone		Consolidated	
Net Sales	120,896	101,332	172,734	146,741
Other Income and Other Operating Income	3,756	2,883	3,986	2,830
Operating Profit (EBIDTA including Other Income)	15,906	13,692	20,818	17,678
Less: Depreciation/Amortization Exp.	4,463	3,644	8,127	5,926
Finance Cost	1,379	1,375	1,811	1,629
Provision for Tax	2,143	2,449	2,083	2,884
Net Profit before share of Profit in Associate/ Joint Venture and Exceptional Items	7,921	6,224	8,797	7,239

Add: Exceptional Items	(2,000)	-	(2,000)	-
Add: Share of Profit in Associate/ Joint Venture	-	-	1	-
Net Profit	5,921	6,224	6,798	7,239

BALANCE SHEET OF APOLLO TYRES LIMITED,

As on 31st March 2020

Equities & Liabilities	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Share Capital	57	57	57	50	50
Reserves & Surplus	7,634	7,583	7,203	5,280	4,606
Current Liabilities	4,092	2,649	3,071	2,876	2,078
Other Liabilities	4,697	3,358	2,810	1,668	782
Total Liabilities	16,481	13,648	13,142	9,876	7,519
Assets					
Fixed Assets	10,557	7,054	6,385	5,416	3,716
Current Assets	2,917	3,510	4,876	3,189	2,421
Other Assets	3,007	3,084	1,880	1,270	1,382

Equities & Liabilities	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Total Assets	16,481	13,648	13,142	9,876	7,519
Other Info					
Contingent Liabilities	2,704	4,497	335	501	465

PROFIT & LOSS ACCOUNT OF APOLLO TYRES LIMITED,

For the year ended 31st March, 2020

PROFIT & LOSS ACCOUNT OF APOLLO TYRES (in Rs. Cr.)	MAR 20	MAR 19	MAR 18	MAR 17	MAR 16
	12 months	12 months	12 months	12 months	12 months
INCOME					
REVENUE FROM OPERATIONS	10,832.70	12,089.58	10,388.13	9,806.62	9,651.48

[GROSS]					
Less: Excise/Service Tax/Other Levies	0.00	0.00	254.89	989.92	1,002.97
REVENUE FROM OPERATIONS [NET]	10,832.70	12,089.58	10,133.24	8,816.70	8,648.51
TOTAL OPERATING REVENUES	11,062.03	12,353.77	10,299.70	8,933.77	8,757.18
Other Income	34.90	111.47	121.85	135.33	203.79
TOTAL REVENUE	11,096.93	12,465.24	10,421.55	9,069.10	8,960.97
EXPENSES					
Cost Of Materials Consumed	6,072.95	7,583.84	6,281.15	5,313.23	4,641.13
Operating And Direct Expenses	0.00	0.00	0.00	0.00	0.00
Changes In Inventories Of FG,WIP And Stock-In Trade	112.83	-261.47	12.55	-318.15	126.62
Employee Benefit Expenses	826.12	737.24	709.68	620.78	565.94
Finance Costs	225.70	137.86	137.54	88.78	90.14
Depreciation and Amortisation Expenses	620.71	446.33	364.38	288.20	265.14
Other Expenses	2,005.52	2,079.51	1,797.18	1,769.68	1,633.06
TOTAL EXPENSES	10,515.54	11,458.84	9,554.23	7,983.47	7,546.44
PROFIT/LOSS	581.39	1,006.39	867.31	1,085.63	1,414.53

BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX					
Exceptional Items	0.00	-200.00	0.00	0.00	0.00
PROFIT/LOSS BEFORE TAX	581.39	806.39	867.31	1,085.63	1,414.53
TAX EXPENSES- CONTINUED OPERATIONS					
Current Tax	102.66	180.65	188.47	231.03	370.08
Less: MAT Credit Entitlement	0.00	0.00	0.00	0.00	0.00
Deferred Tax	-29.90	33.63	56.46	51.85	42.30
Tax For Earlier Years	0.00	0.00	0.00	0.00	0.00
TOTAL TAX EXPENSES	72.76	214.28	244.92	282.88	412.38
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	508.62	592.11	622.39	802.76	1,002.15
PROFIT/LOSS FROM CONTINUING OPERATIONS	508.62	592.11	622.39	802.76	1,002.15
PROFIT/LOSS FOR THE PERIOD	508.62	592.11	622.39	802.76	1,002.15
OTHER ADDITIONAL INFORMATION					

EARNINGS PER SHARE					
Basic EPS (Rs.)	8.89	10.35	11.55	15.77	19.69
Diluted EPS (Rs.)	8.89	10.35	11.55	15.77	19.69
VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS STORES, SPARES AND LOOSE TOOLS					
Imported Raw Materials	2,247.13	3,284.23	2,594.18	2,157.20	1,976.05
Indigenous Raw Materials	3,825.82	4,299.61	3,686.97	3,156.03	2,665.08
STORES, SPARES AND LOOSE TOOLS					
Imported Stores And Spares	6.41	8.06	6.17	5.51	5.32
Indigenous Stores And Spares	83.69	91.88	73.70	70.88	59.36
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	357.53	171.62	152.71	101.81	101.81
Tax On Dividend	73.49	35.28	31.09	20.73	20.73
Equity Dividend Rate (%)	300.00	325.00	300.00	300.00	200.00

Cash Flows:

	Mar 2020	Mar 2019	Mar 2018	Mar 2017	Mar 2016
Operating Activities	2,517	1,071	1,719	902	2,122
Investing Activities	-2,795	-995	-3,862	-2,952	-2,282
Financing Activities	472	-62	2,320	1,894	-254
Others	-21	-31	283	-53	5
Net Cash Flow	172	-18	461	-208	-408

Per share Ratio:

Per Share Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Basic EPS (Rs.)	8.33	11.88	13.43	21.59	22.06
Diluted Eps (Rs.)	8.33	11.88	13.43	21.59	22.06
Book Value [Excl. Reval Reserve]/Share (Rs.)	173.59	175.51	170.91	143.22	129.69
Dividend/Share (Rs.)	3.00	3.25	3.00	3.00	2.00
Face Value	1	1	1	1	1

Margin Ratios:

Margin Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Gross Profit Margin (%)	12.01	11.86	11.91	15.17	17.43
Operating Margin (%)	5.04	7.23	7.91	11.67	13.82
Net Profit Margin (%)	2.91	3.87	4.87	8.34	9.50

Return Ratios:

Return Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Return on Networth / Equity (%)	4.79	6.77	7.40	15.07	17.01
ROCE (%)	4.70	8.01	4.76	10.13	13.68
Return On Assets (%)	2.04	3.36	3.59	7.18	9.63

Liquidity Ratios:

Liquidity Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Current Ratio (X)	0.96	1.35	1.39	1.13	1.33

Liquidity Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Quick Ratio (X)	0.40	0.55	0.80	0.53	0.77

Leverage Ratios:

Leverage Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Debt to Equity (x)	0.66	0.47	0.45	0.45	0.21
Interest Coverage Ratios (%)	2.94	7.01	7.21	14.96	17.70

Turnover Ratios:

Turnover Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
Asset Turnover Ratio (%)	70.22	86.86	73.63	86.16	101.67
Inventory Turnover Ratio (X)	5.09	5.04	5.04	4.98	6.11

Valuation Ratios:

Valuation Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
P/E (x)	0	27	18.61	13.59	8.81
P/B (x)	0.46	1.26	1.61	1.46	1.35
EV/EBITDA (x)	5.28	8.09	11.09	6.76	4.70
P/S (x)	0.28	0.72	1.06	0.81	0.81

Growth Ratios:

Growth Ratios	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
3 Yr CAGR Sales (%)	3.63	17.59	8.45	-0.02	0.26
3 Yr CAGR Net Profit (%)	-9.6	-14.12	-21.19	11.55	50.47

CHAPTER 6

LEARNING EXPERIENCE

The in-plant training at APOLLO TYRES LTD was very much useful for me for knowing about organizational structure and formations. It helped me to gain practical knowledge about different functions of various departments of the company. All the staffs in the company was very much cooperative and very keen to explain each and every aspect. Thus, by the training I am able to make a thorough study of the company's activities in each section and was able to acquire practical knowledge in this field. This study was of great benefit for me to our future career.

Four weeks in plant training in Apollo Tyres Ltd. gave me an opportunity to know about the industrial world. In the company I learned about how the management theories and concept applied in an organization. I saw how a few managers managing a large number of employees and machines to run the company with a profit. More over the in-plant training was a good exposure for me to the working conditions of the organization. Some points, which attracted me towards the organization, are:

Professional responsibilities:

- All the employees are punctual in time.
- General meetings every month's first Saturday and second Monday.
- Regular training and development programs.
- Team Building and Work in-group.
- Counseling is the best method of solving problem, that I learned in ATL.

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WEEKLY PROGRESS REPORT

Student Name	Ms. CAROL RINITA BRAX
USN	1CR19MBA16
Title of the Study	An Organisation Study on Apollo Tyres Ltd
Organization	Apollo Tyres Ltd
WEEK-1	
Duration (start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



Signature of the Student



Signature of the Guide