RPG

CEAT

annual report 2010-11

Excelleration

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

vroom!

CORPORATE OVERVIEW

02 Company Snapshot
08 Excelleration
14 Financial Highlights
16 Operational Breakthroughs of 2010-11

STRATEGIC REVIEW

17 Strategies to Stay Ahead
18 Meeting Customer Demands
20 Innovation in Services
22 Branding Strategies
24 Corporate Social Responsibilities

STATUTORY REPORTS

26 Corporate Information
27 Notice
30 Directors' Report
40 Management Discussion and Analysis
52 Corporate Governance Report

FINANCIAL STATEMENTS

69 Standalone Financials
103 Consolidated Financials

Attendance Slip and Proxy Form are enclosed at the end of this report.

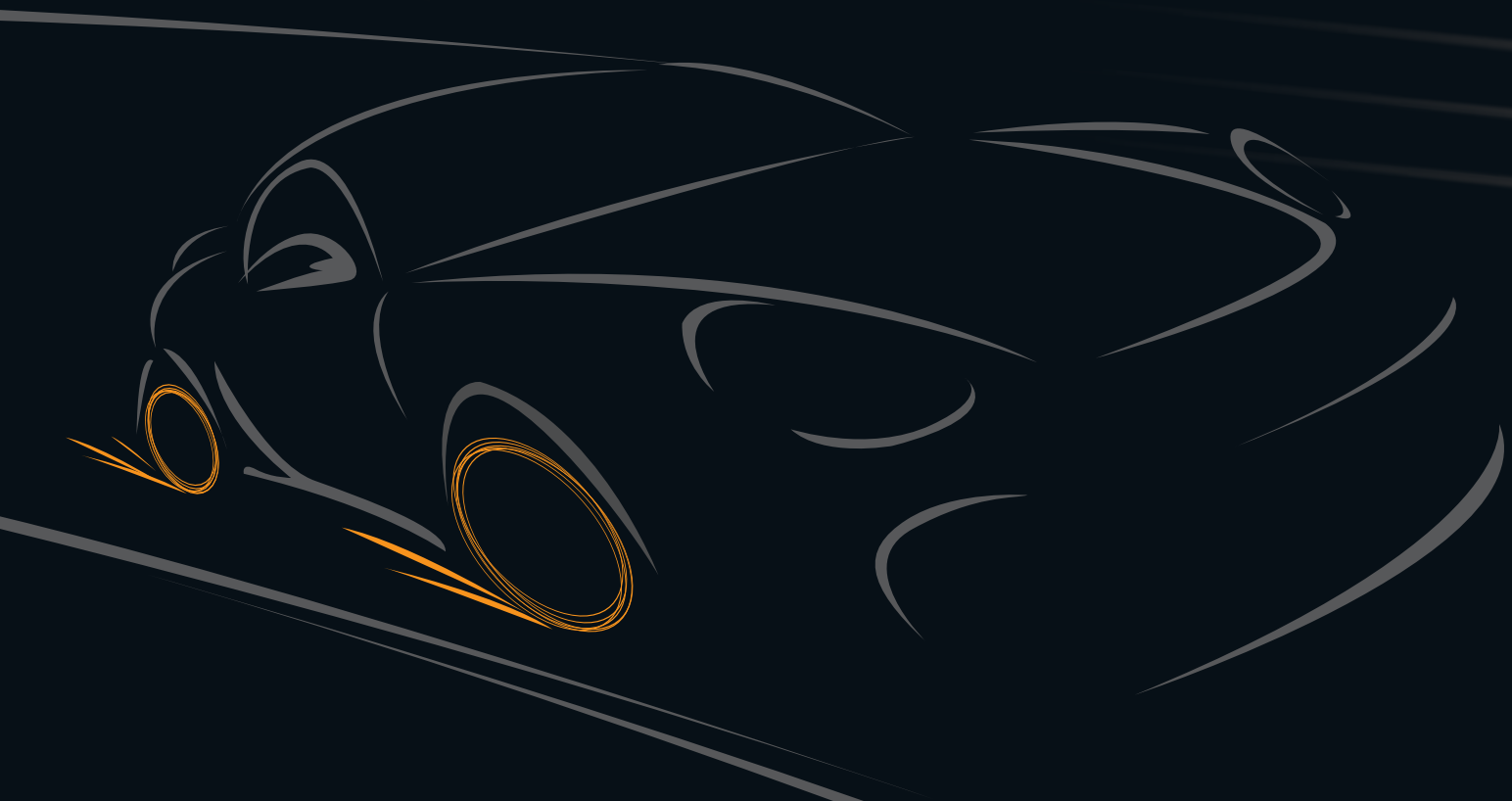
Excelleration

Can excellence and acceleration converge?

Can technology and human ingenuity extend the limits of the 'possible'?

Can collective dynamism and youthfulness drive momentum in business and life?

At CEAT, the answer is an emphatic 'yes'. Welcome to perpetual motion.



For nearly five decades, we have traversed challenging roads to expand our presence in the national and international markets, on the strength of our product innovation and deep customer centricity. Our customer delivery model revolves around a futuristic formula: excelleration. Putting it simply: accelerated delivery of excellence.

Product innovation, at CEAT, starts with a deep customer insight and a keen understanding of the global markets. This is supported by a culture that encourages employees to respond nimbly with new ideas to solve varied customer challenges. As perfectionists, we value the role of technological brilliance and innovation in our industry; concurrently, we have a deep regard for teamwork and stamina.

We have been all-weather friends of our customers across multiple roads; and yet road friction and fatigue has not corroded our youthful confidence and dynamism to grow. We are unrelenting in our growth approach: gaining access to new customers and markets globally; enriching products portfolio; enhancing quality benchmarks through investments in research and development; and extending our brand recall and respect in all spheres of life.

Today, CEAT is more than a global brand for tyres, tubes and flaps. It represents the courage and confidence of young Indians to help create a better India and a humane world.

Company Snapshot

CEAT, the flagship company of the **RPG Enterprises,** is among India's leading tyre manufacturers producing over **10 million tyres annually.** We are widening our visibility nationally and internationally with our wide range of tyres, tubes and flaps. The CEAT brand stands for superior quality and durability, so that our customers can have a hassle-free ride, even on the roads less travelled.

RPG – a snapshot

RPG Enterprises is one of India's leading business groups with a turnover of **₹ 18,500 crore (USD 4.16 billion).** RPG Enterprises has a strong presence in multiple sectors: infrastructure, power, tyres, retail, information technology, carbon black, speciality and entertainment.

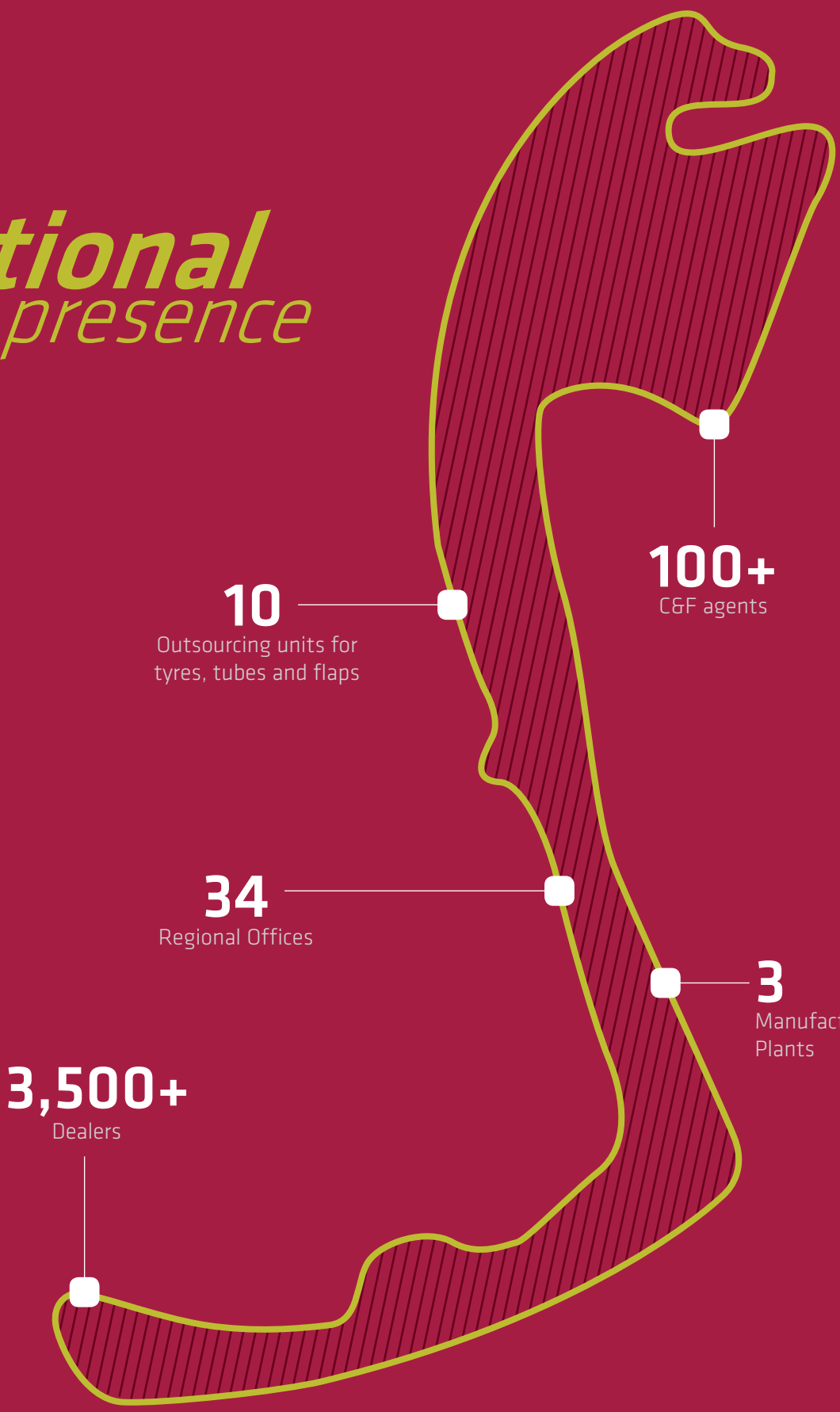
Vision

To be amongst the **most profitable tyre companies** in India by 2016 through: Market leadership in select categories in India and market leadership in significant countries outside India.

Core Values

Challenger | Aspiration-led | Integrity | Result obsession | Openness

National presence

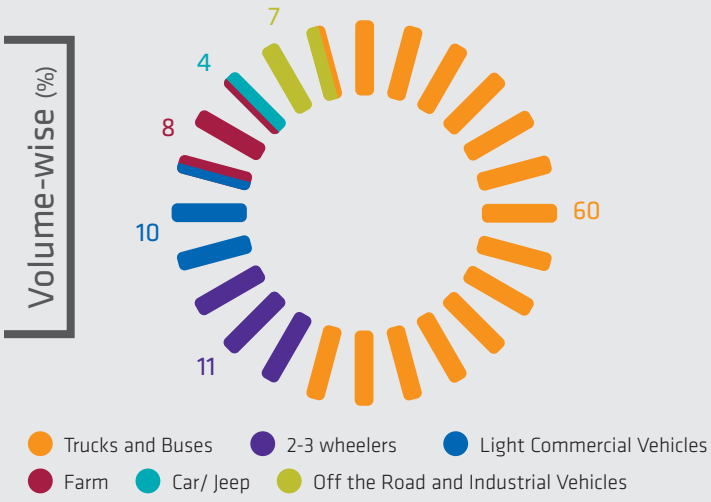


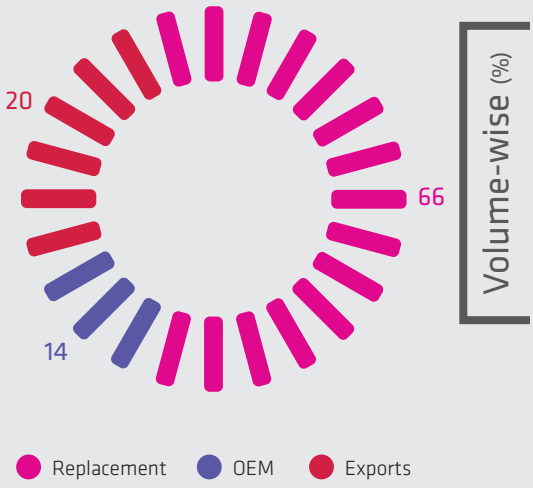
Tyres for all

CEAT offers the widest range of tyres to all user segments and manufactures world-class tyres for all Indian vehicles comprising:

- Heavy-duty trucks and buses
- Light commercial vehicles (LCV)
- Earthmovers
- Forklifts
- Tractors
- Trailers
- Cars and Jeeps
- Motorcycles and scooters
- Auto-rickshaws

Segment-wise Product distribution

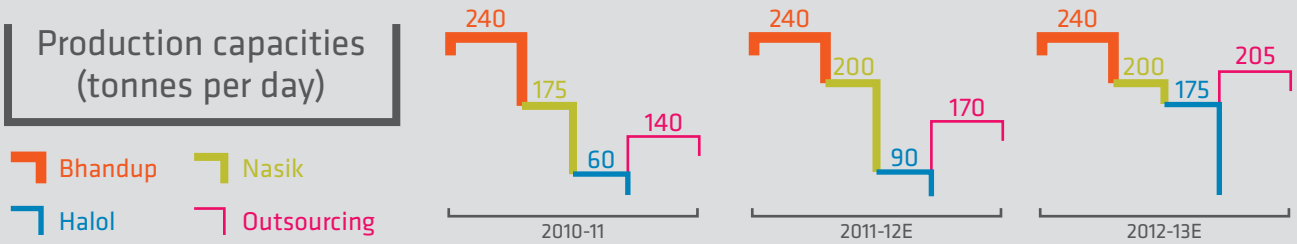




Manufacturing facilities

CEAT owns two tyre manufacturing facilities in Maharashtra (Bhandup and Nasik) and has also set up a greenfield radial tyre manufacturing facility at Gujarat (Halol).

CEAT has three manufacturing plants in Sri Lanka in Joint Venture and it also outsources certain amount of automotive tubes, tyres and flaps.



Think ahead to even out the odds

CEAT's objective is to think ahead of its customers to deliver better value, even in a resource-scarce environment. As a part of this strategy, we often question conventional approaches, think laterally and revisit old strategies.