RPG

Faster.
Safer.
Smarter.

CEAT

Annual Report 2012-13

Rama Prasad Goenka

March 1, 1930 – April 14, 2013
Visionary, Industrialist, Humanitarian

He mixed foresight with finesse, intellect with intuition and passion with prudence. Modern India's original M & A strategist and one of its greatest achievers, Dr. R. P. Goenka possessed humility and a youthful charm that is cherished by all those whose lives he touched. At a time when investors were cautious about making significant acquisitions, Dr. R. P. Goenka conceived and executed numerous takeovers and created an industrial group that spans India and beyond. A man of impeccable grace and amazing depth of knowledge, Dr. R. P. Goenka lives forever in the enthusiasm, the resilience and the determination, of every member of RPG Enterprises, the conglomerate that he built.

CEAT salutes Dr. R. P. Goenka's indomitable spirit and continues to be guided by his vision.

AMID THE SHIFTING DYNAMICS OF GLOBAL BUSINESSES, CUSTOMERS NEED REASSURANCE THAT THEIR EVOLVING ASPIRATIONS CAN BE CATERED TO WITH EVER MORE ACUMEN AND ALACRITY.

This is the hallmark of CEAT. Our products inspire confidence in customers with their on-road performance and safety standards. Superior road grip, steering control and safe handling at high speeds are just a few of the features which make our products preferred by customers across the country and beyond.

For over five decades, CEAT has consistently focused on, innovation in products and processes, expansion of global networks, improvement in brand stature and cost efficiency in order to help global customers find the right tyres for their vehicles.

We are leveraging our strengths to accelerate growth momentum, reinforce safety initiatives and embrace global opportunities with smart technical and operational expertise.

Our stakeholders have faith in our ability, and their trust helps us move ahead with a firm grip on roads.

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Can tyres talk of passion?

AT CEAT, OUR PRODUCTS REPRESENT THE PASSION TO ACHIEVE HIGH STANDARDS OF EXCELLENCE. PASSION HELPS US NAVIGATE ROUGH AND SMOOTH ROADS.

Five decades is a long time, it changes customer's perspectives, technology paradigms and business priorities. For CEAT, however, some things have not changed since inception: ability to foresee market trends, identify customer aspirations and create products that deliver delightful customer experiences and ensure safer rides. Our tyres trot the globe, as we have strengthened our footprint to over 100 countries across the world, catering to Original Equipment Manufacturers (OEM) and individuals.

TYRE RANGE

- TWO WHEELERS / THREE WHEELERS
- CARS / SUVs
- FARM VEHICLES / TRAILERS
- LIGHT & HEAVY COMMERCIAL VEHICLES / TRUCKS
- EARTHMOVERS
- SPECIALITY TYRES

We think they do.

RPG ENTERPRISES

₹17,000
CRORES TURNOVER

IS AMONGST INDIA'S FASTEST GROWING CONGLOMERATES

Since 1979, RPG Enterprises serves diverse business verticals including **Infrastructure, Automotive tyres, IT, Pharmaceuticals, Plantations and Power Ancillaries.**

#1
PLAYER IN SRI LANKA

8
ZONES

3,500+
DEALERS

50
SERVICE ENGINEERS ASSISTING THE DEDICATED CUSTOMER SERVICE TEAM

3
MANUFACTURING FACILITIES IN MUMBAI, NASIK (MAHARASHTRA) AND HALOL (GUJARAT)

37
REGIONAL OFFICES

10 MILLION +
TYRES PRODUCED ANNUALLY

110+
EXPORT DESTINATIONS, INCLUDING USA, AFRICA, LATIN AMERICA, AUSTRALIA AND ASIA

Vision & Values

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

CHALLENGER	ASPIRATION-LED	INTEGRITY	RESULT-OBSESSION	OPENNESS
We attempt to try new things and not fear failure, we question existing ways of working and we are open to critique and suggestions from the team and others in the organisation.	We encourage our people to dare to dream. Our aim is to deliver exceptional service to our customers. This we do by trying to excel at our work.	We take responsibility for our actions and ensure our behaviour matches our words. Being honest and transparent in our work is our continuous endeavour.	We respect the time of others and strive to display a sense of urgency in taking decisions.	We value the skills, strengths and views of others and have a passion for learning and sharing ideas. We appreciate and are responsible with the information the company shares with us.

Living our vision. Loving the journey.

OUR VISION GUIDES US FORWARD ACROSS FAMILIAR & UNFAMILIAR ROADS. FASTER. SAFER. SMARTER.

Operational highlights FY 2013

Expanded footprint in Bangladesh; Joint Venture (70:30) with A. K. Khan & Company Limited to set up a tyre manufacturing facility in Bangladesh

CEAT Sri Lanka Joint Venture retained its market leadership across all categories in Sri Lanka

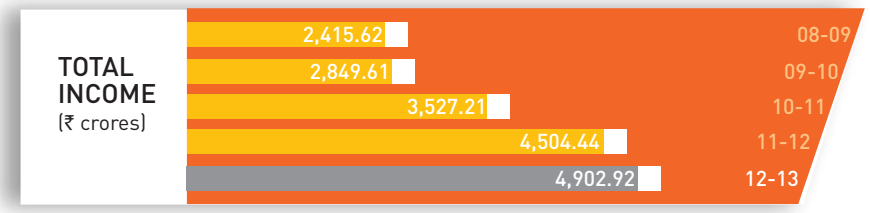
Adopted BS OHSAS 18001:2007 and ISO 14001:1994 framework to enrich Environment Health and Safety Performance

27%
GROWTH IN PASSENGER CAR AND UTILITY VEHICLE CATEGORY

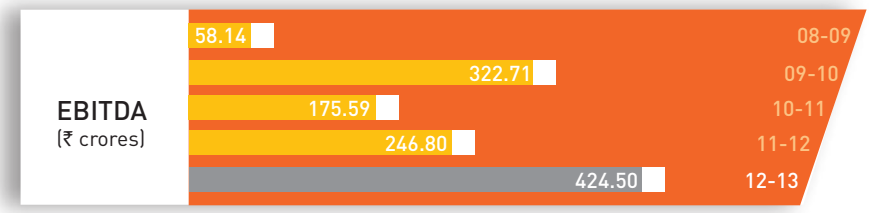
70+
NEW PRODUCTS LAUNCHED

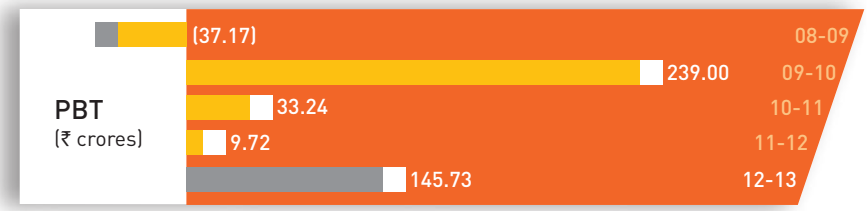
60+
ADDITIONAL NEW LOOK CEAT SHOPPES

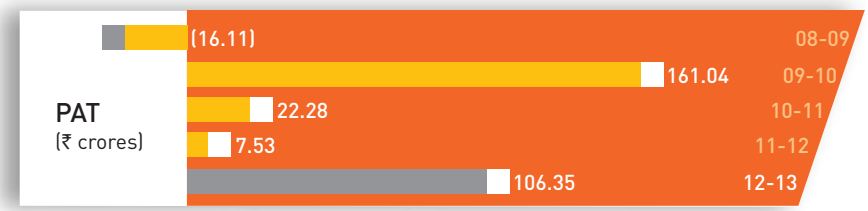
37%
GROWTH IN OEM SEGMENT DESPITE THE OVERALL INDUSTRY SHOWING FLAT GROWTH

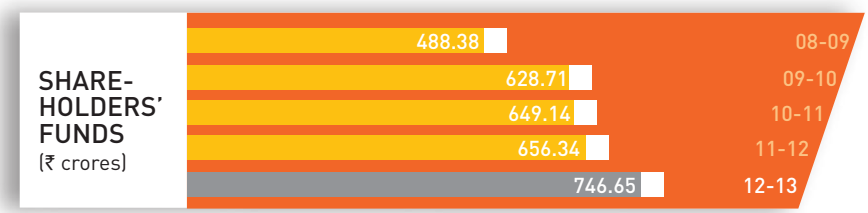


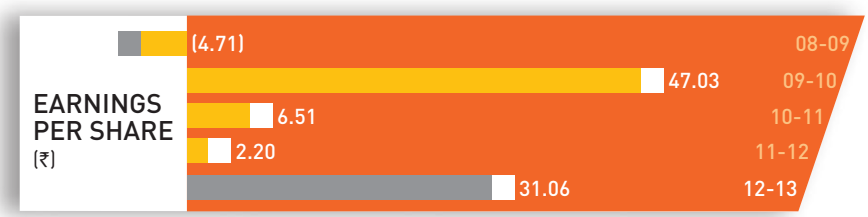
24%
GROWTH IN MOTORCYCLE CATEGORY

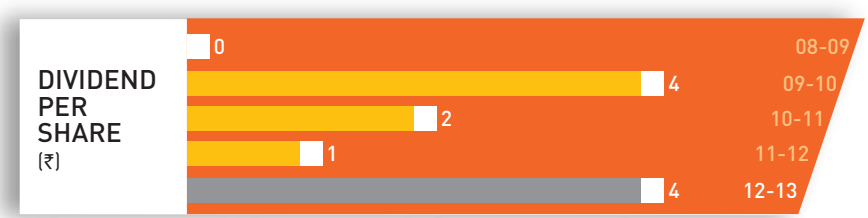



PBT
(₹ crores)
(37.17)
08-09
239.00
09-10
33.24
10-11
9.72
11-12
145.73
12-13


PAT
(₹ crores)
(16.11)
08-09
161.04
09-10
22.28
10-11
7.53
11-12
106.35
12-13


SHARE-
HOLDERS'
FUNDS
(₹ crores)
488.38
08-09
628.71
09-10
649.14
10-11
656.34
11-12
746.65
12-13


EARNINGS
PER SHARE
(₹)
(4.71)
08-09
47.03
09-10
6.51
10-11
2.20
11-12
31.06
12-13


DIVIDEND
PER
SHARE
(₹)
0
08-09
4
09-10
2
10-11
1
11-12
4
12-13

"My tyre should help me move faster,

THESE ARE JUST FEW THINGS THAT OUR CUSTOMERS AROUND THE WORLD EXPECT FROM US. EVERY DAY. AND WHEN OUR PERFORMANCE MATCHES THEIR EXPECTATIONS, OUR CUSTOMERS SMILE.

FASTER.

Fast is not good enough. In an environment of moderate economic growth, **WE ACCELERATED OUR MOMENTUM.** We added capacities, enhanced efficiencies and delivered a solid performance during the year. We are **PUSHING THE BOUNDARIES** of 'what's possible' at CEAT.

Our prudent business strategies, including scaling up and extending our business, assimilating and applying new knowledge to products and enhancing **CUSTOMER SATISFACTION** have ensured faster growth.

FASTER DELIVERY

At CEAT, we have always focused on our scalability. Fiscal 2013 was not an exception. We saw good increase in our Customer Satisfaction Score over last year. A more responsive supply chain with a 50% reduction in material stock out helped drive this achievement. All three manufacturing plants have also supported us well with high capacity utilisation levels and speedy production ramp-up.

50%

REDUCTION IN STOCK OUT