



ANNUAL REPORT 2015-16

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Forward-looking statements

This report may 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 'anticipates', 'estimates', '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 these assumptions. The achievements of results are subject to risks, uncertainties and 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. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.



MAKING MOBILITY SAFER & SMARTER. EVERY DAY.

Driven by our purpose, we have embarked on a journey of innovation and impactful change.

A journey fuelled by our endeavour to deliver enhanced value to our customers and provide increased benefits to society and the environment.

A journey dotted by our growing range of innovative products and mapped by the aspirations of our ever expanding base of clients.

Today, as we move proactively forward on this journey, we do so with our eyes firmly on the needs of our consumers.

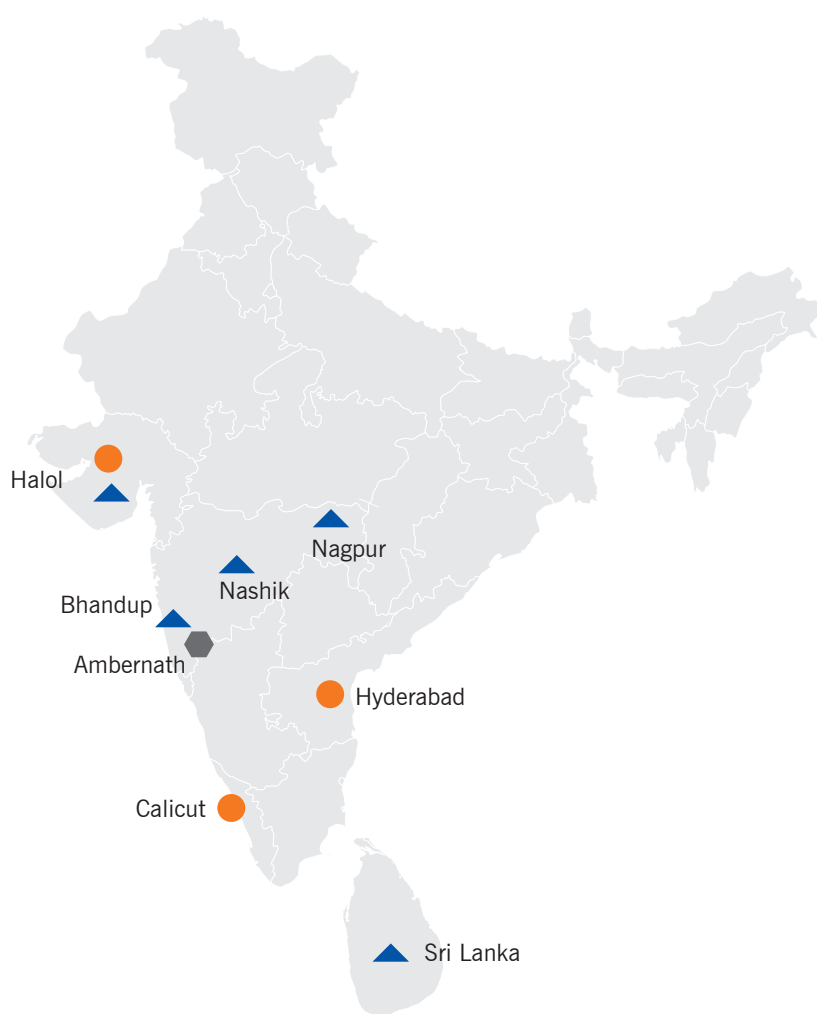
Driven by thought leadership and concerted action, we are focussed on **making mobility safer and smarter, every day.**




Join us on this journey ...

COMMITTED TO SAFER AND SMARTER MOBILITY, EVERY DAY

Established in 1958, CEAT is amongst the leading tyre manufacturers in the country and with safety as the core premise, has been continuously churning out differentiated products across segments. CEAT has a strong global presence spanning across all major continents while the domestic market is serviced through an extensive distribution network. Leading Original Equipment Manufacturers (OEMs) in the country are catered to by the company directly. Manufacturing operations of the company are carried out through a combination of in-house manufacturing facilities and outsourcing units. A state-of-the-art Research & Development (R&D) centre in Halol has enabled the company to come out with smarter products to fulfill the mobility needs of the end consumers.

MANUFACTURING LANDSCAPE



-  Operational facilities
-  WIP
-  Key Outsourcing facilities

Map not to scale

WE DRIVE MOBILITY, BUT REMAIN ROOTED IN VALUES

Values are a way of life at CEAT. CAIRO, the acronym used for CEAT's values, epitomises the Company's persona and reflects its character. Our values are imbibed in our people across the organisational hierarchy, and we have strong systems and processes in place to strengthen their implementation.

Challenger

We are innovative and agile, and are constantly working to promote experimentation.

Aspiration-led

We are purpose-led, with a strong passion for superior performance, and are willing to walk the extra mile in pursuit of our purpose and vision.

Integrity

We believe in being authentic and transparent to our stakeholders. We honour our commitments and take responsibility for our actions.

Result-Obsession

We are driven by a strong sense of passion, coupled with high energy, speed and collaboration, as we move systematically towards our goals.

Openness

We operate cross functionally in an open and boundary-less manner. We are approachable, and involve a larger team to achieve our purpose.

EXTENSIVE DISTRIBUTION NETWORK TO DELIVER GROWTH

4,300+

Dealers

250+

2-Wheeler
Distributors

400+

Franchisees
(CEAT Shoppes
and CEAT Hubs)

290+

Multi Brand
Outlets &
Shop-in-Shop
Concepts

600+

Districts
covered



CEAT Shoppe - an exclusive franchisee, which provides sales and service solutions



MBO - a "multi-brand outlet", with a predominant CEAT share



SIS - a "shop-in-shop" concept, having demarcated area in high footfalls shops

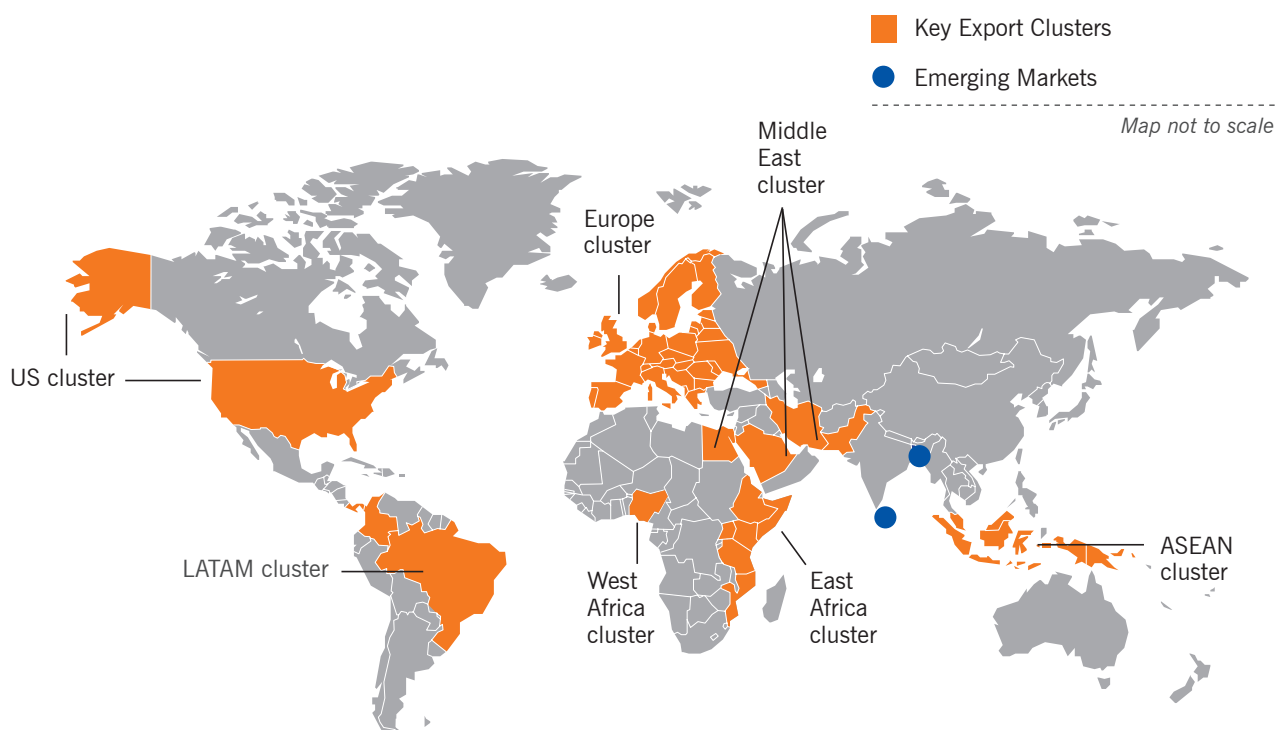
EXPANDING GLOBAL REACH

CEAT is a leading exporter amongst Indian tyre companies. We are firmly entrenched across all major continents, which are geographically clubbed into 7 clusters. Traditionally, our exports have been primarily focussed on truck

& bus tyres, off-highway tyres and tyres for Light Commercial Vehicles. We have recently launched our passenger car radial tyres for the European market, starting with Italy. With this launch, CEAT returned to Italy after a long duration. CEAT's presence in Europe and US markets would get a further positive boost post

commencement of off-highway tyres' production from upcoming Ambarnath facility.

In addition to the 7 clusters, CEAT also has presence in Sri Lanka. In Sri Lanka, CEAT has a leadership position with around 50% market share.

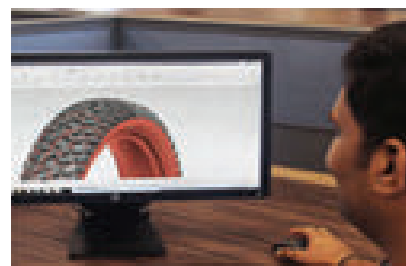


R&D FOCUS ON SMART INNOVATION

CEAT's state-of-the-art Research & Development (R&D) facility in Halol is primarily focussed on development of innovative products and alternative materials. We also partner with global institutes of repute which helps us in our journey of continuous product and process innovations. In the year gone by, the R&D team introduced 70 new products, with the passenger segment, comprising passenger cars, utility vehicles and two wheelers, being the largest contributor.

One of the key products launched in FY 2015-16 was the motorcycle radial tyre, which is unique in terms

of construction, compound formulation and tread pattern design. This tyre has been optimised for high performance sports motorcycles and multiple terrains of India. Another key development was the advanced range of car radial tyres, meeting the demanding requirements of European markets.





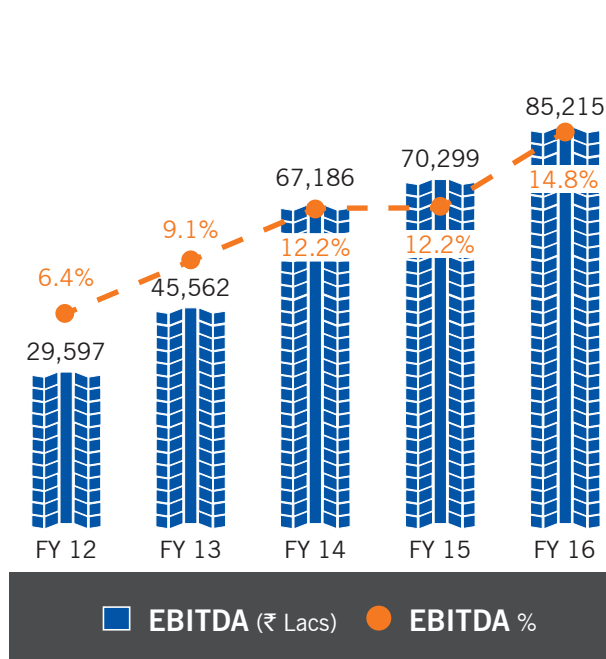
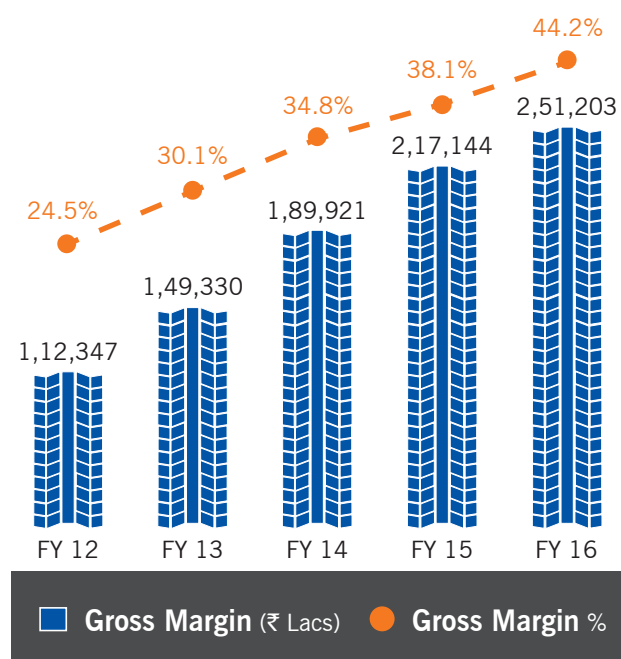
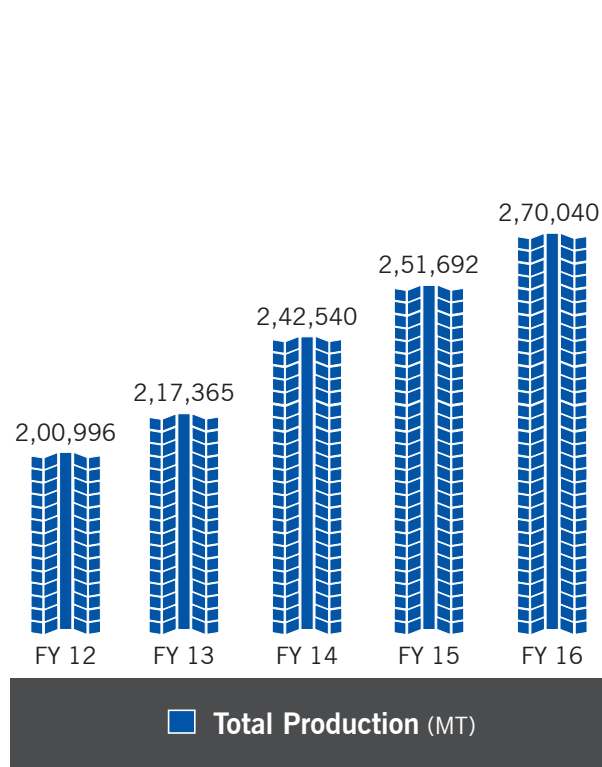
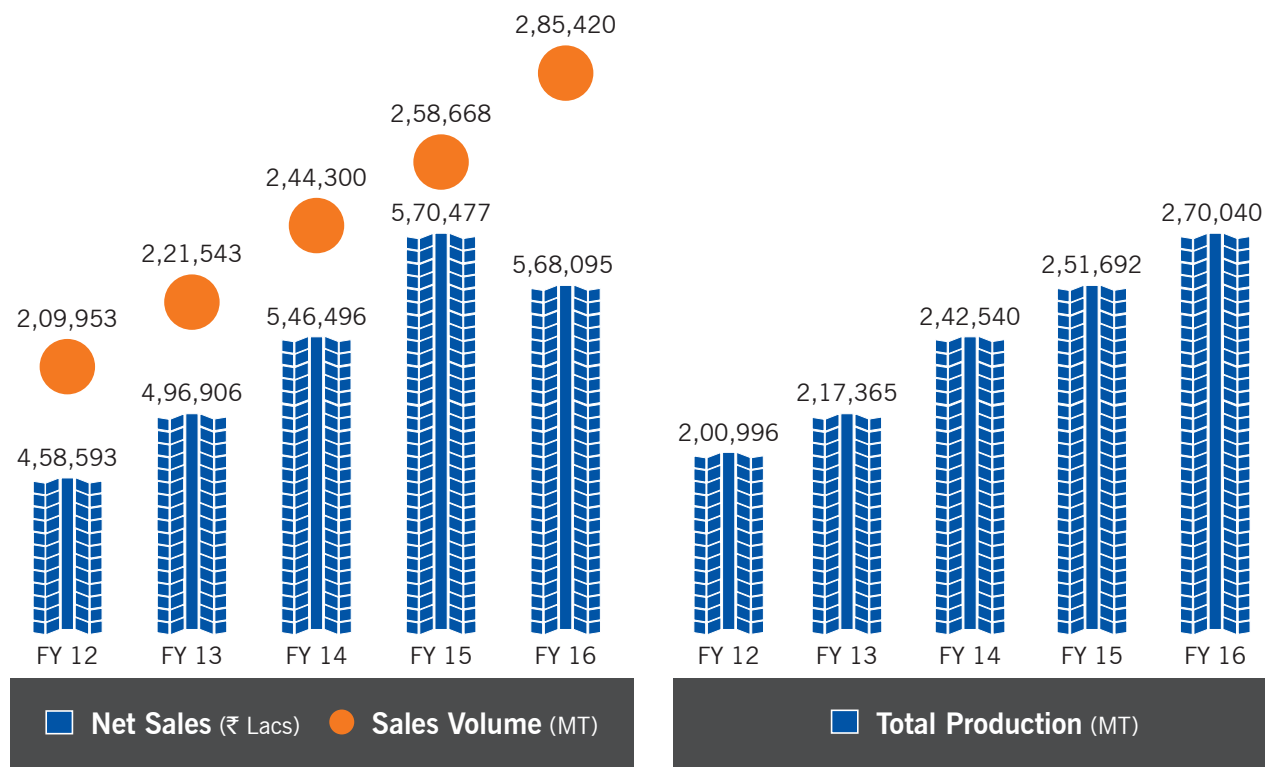
RPG

OUR GRIP. YOUR STORIES.



CEAT
SUPERIOR GRIP
SUV TYRES

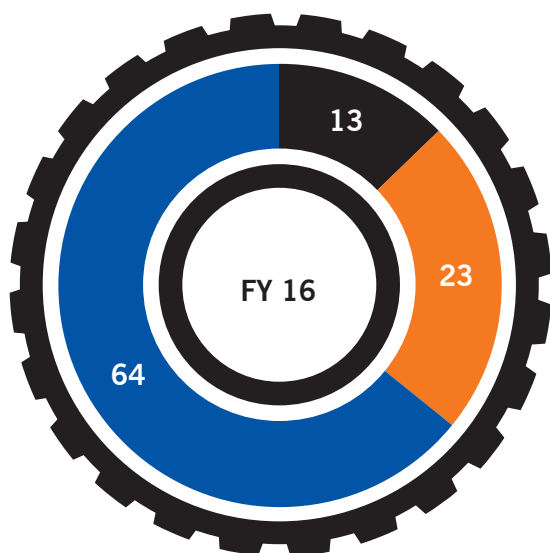
OPERATIONAL AND FINANCIAL HIGHLIGHTS (Consolidated)



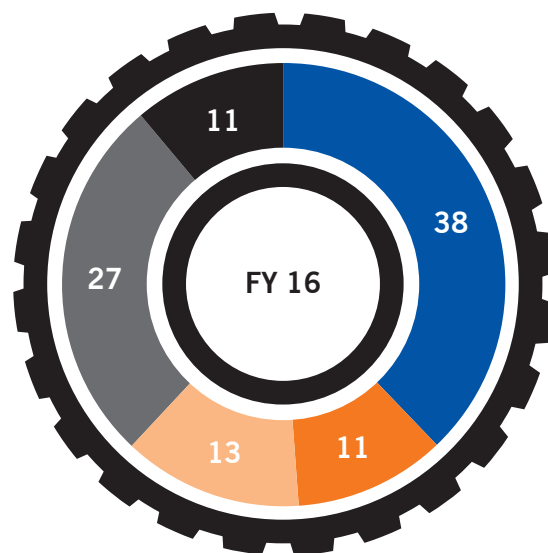
Notes:

1. Previous year figures have been regrouped where necessary to conform to this year's classification
2. Interest includes interest capitalised
3. Total production figures are only for standalone

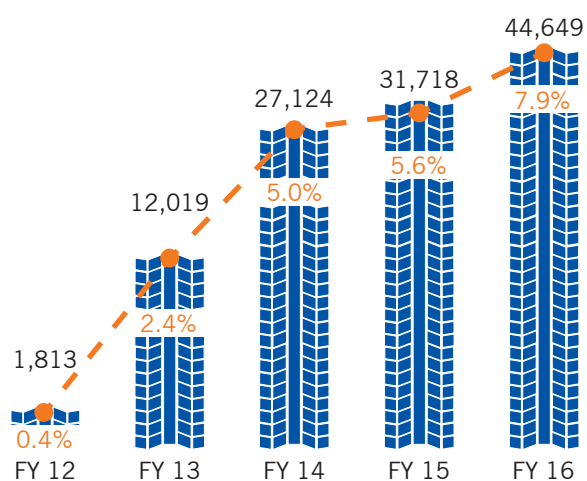
% of Sales



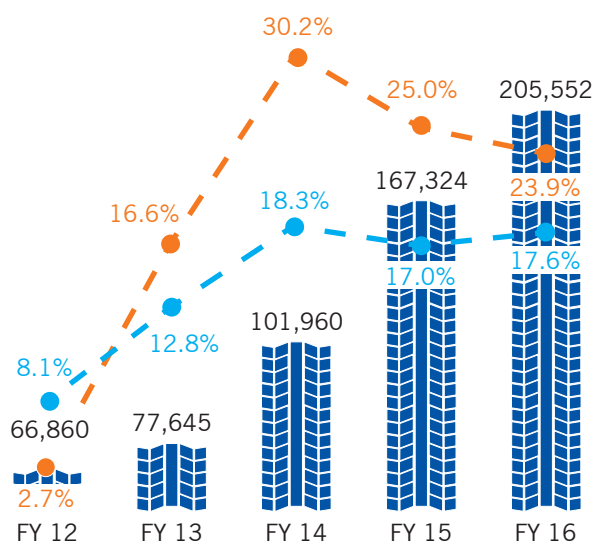
■ Replacement ■ OEM ■ Exports



■ Truck & Bus ■ Speciality / Farm ■ LCV
■ Two Wheeler ■ PC / UV



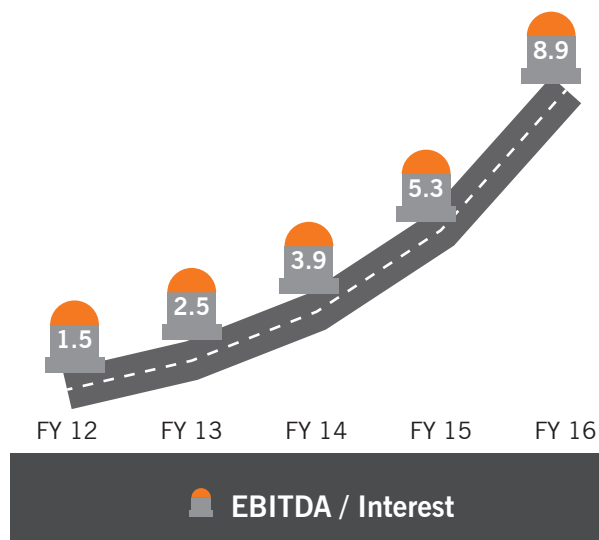
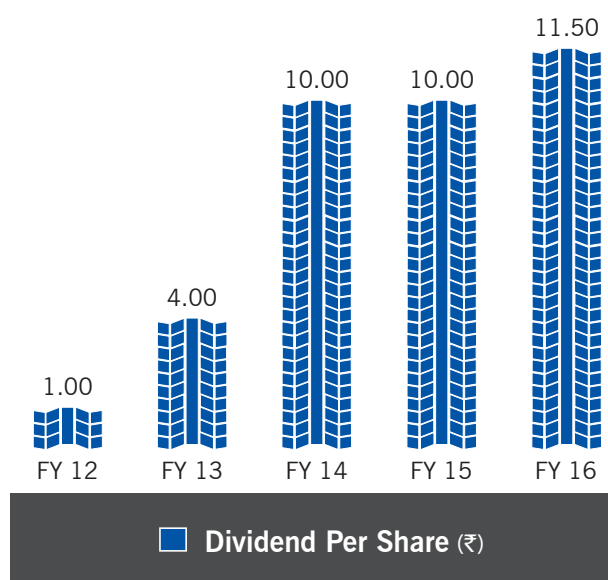
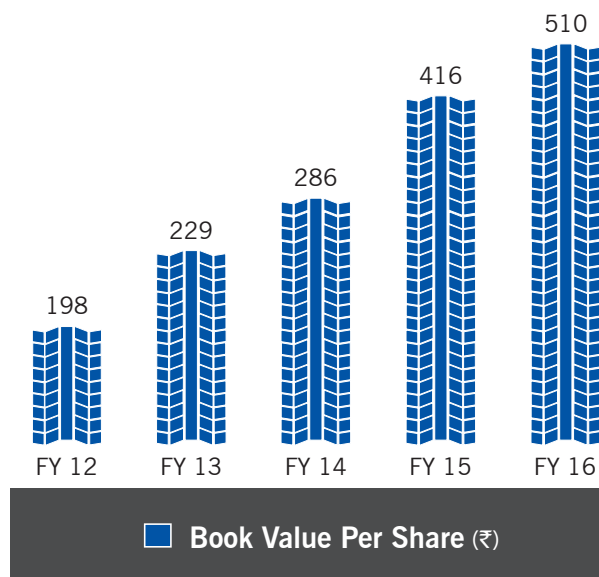
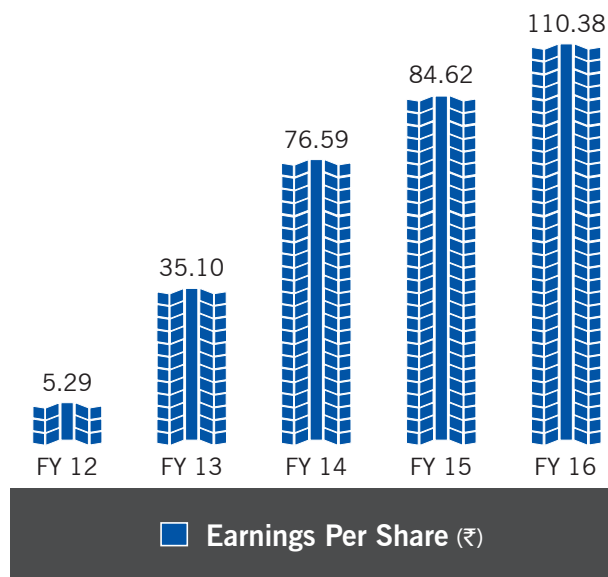
■ PAT (₹ Lacs) ■ PAT %



■ Net Worth (₹ Lacs) ■ ROE % ■ ROCE %

4. Net worth excludes revaluation reserve
5. EBITDA includes non operating income
6. Average capital employed considered for ROCE
7. ROCE calculated based on PBIT* (1-Tax Rate)

OPERATIONAL AND FINANCIAL HIGHLIGHTS (Consolidated)



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