



SAFER, SMARTER MOBILITY



ANNUAL REPORT
2017-2018



RPG Group

Established in 1979, the RPG Group is a diversified conglomerate with interests in the areas of infrastructure, tyres, information technology, pharmaceuticals, energy and plantations. Founded by Dr. R P Goenka, the group's lineage dates back to the early 19th century. Today, the group has several companies in diverse sectors predominantly CEAT, Zensar Technologies, KEC International, and RPG Life Sciences. Built on a solid foundation of trust and tradition, the RPG name is synonymous with steady growth and high standards of transparency, ethics and governance.

Forward-looking statement

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 our 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 statement, whether as a result of new information, future events or otherwise.

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Sometime ago we launched the RPG group's new brand tagline – Hello Happiness. This tagline will henceforth form a part of our group's ethos. Our Vision tenets clearly outline the path we will all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that will drive each of us to contribute and shape the lives of others around us positively; an organisation where dreams will not be constrained by fences. The smiley signifies 'THAT' Happiness which is within our grasp, which is the culmination of our Vision tenets and is now captured in our tagline. Hello Happiness is a bold statement of confidence and purpose – a statement that helps us open our doors to a world of opportunities and possibilities; a statement that signifies our intent to touch and enrich the lives of others.

 **hello happiness**

SAFER, SMARTER MOBILITY

At CEAT, our constant endeavour is to build best-in-class products, which resonate with our purpose of 'Making Mobility Safer and Smarter. Everyday'.

Leveraging our strengths of knowledge, experience, technical capability, dynamism and aggression, we have successfully built a safer and smarter mobility ecosystem through our products.

Our cutting-edge mobility solutions with industry-first products have put us on a global platform of excellence, taking our purpose beyond roads. We strive to touch the lives of people, both on road and off road, ensuring their safety with our state-of-the-art products and services.

We are committed to creating the future of mobility as we help the nation drive safely and smartly.



OUR PURPOSE

**Making Mobility
Safer and Smarter.
Everyday.**

ABOUT CEAT



Deming Prize is a testimony of the successful implementation of Total Quality Management (TQM) at CEAT

Ruling the Road



Established in

1958



Manufacturing capacity of more than

95,000 tyres

per day



Part of the

₹22,000 crs

RPG Group

Net sales



₹6,075 crs

Standalone



Manufactures a

wide range

of high-performance tyres across vehicle segments



5617

Employees

Our Values

CAIRO defines the culture at CEAT and has helped build a stronger, ethical and consumer-oriented organisation.



KEY HIGHLIGHTS

Progressing Steadily



Recipient of the
Deming Prize

First tyre company, outside Japan, to win this award



Ranked No.1 in
J.D Power
2017

In passenger car and utility vehicle segment for new vehicles



₹6,330 crs

Standalone revenue from operations



EBITDA
₹684 crs

Standalone



Profit after tax
₹279 crs

Standalone



Earnings per share
₹68.90

Standalone



ROCE
9.70 %

Standalone



Dividend per share
₹11.50

Standalone



New products launched
65+



Country presence
100+



Market capitalisation crossed
USD 1bn
(on May 2, 2017)



NO. 1

Player in Sri Lanka in terms of market share

EXPANDING GLOBALLY

CEAT returns to Europe



Stronger than ever in the UAE



For years, the UAE has been a major market for CEAT in the Middle East region. The brand has been growing stronger in the passenger car tyre segment by increasing its visibility to get maximum counter-share at its esteemed dealers throughout the UAE.

Entry into US and Europe's Specialty tyres market

Italy

CEAT entered the coveted European market in 2016 through its exclusive range of passenger car tyres. Italy – the birth place of CEAT – became the natural choice for its re-entry. CEAT aims to be the brand of choice through focussed branding and marketing efforts in the country.

Spain

In Spain, CEAT has paved its way to become one of the most sought-after quality brands within one and a half years. Continuous focus on branding is helping to establish CEAT in the country.

Poland

After Italy and Spain, Poland has been the next big bet for CEAT. Though a new entrant, CEAT has been able to establish itself in Poland with its ever-increasing footprint in the last one year.



CEAT Specialty Tyres Limited (CSTL) is a wholly-owned subsidiary of CEAT. CSTL introduced a new range of high-quality Agriculture radial tyres, manufactured at its new state-of-the-art plant at Ambarnath, in the US and Europe markets.

A 360-degree marketing campaign was launched to drive awareness about the brand.

CSTL launched print media campaigns in leading industry publications in the US and Europe (the UK, France and Germany) with an objective to introduce the brand as well as to drive its key differentiator i.e. the power of CTR (low Compaction, high Traction and high Roadability)

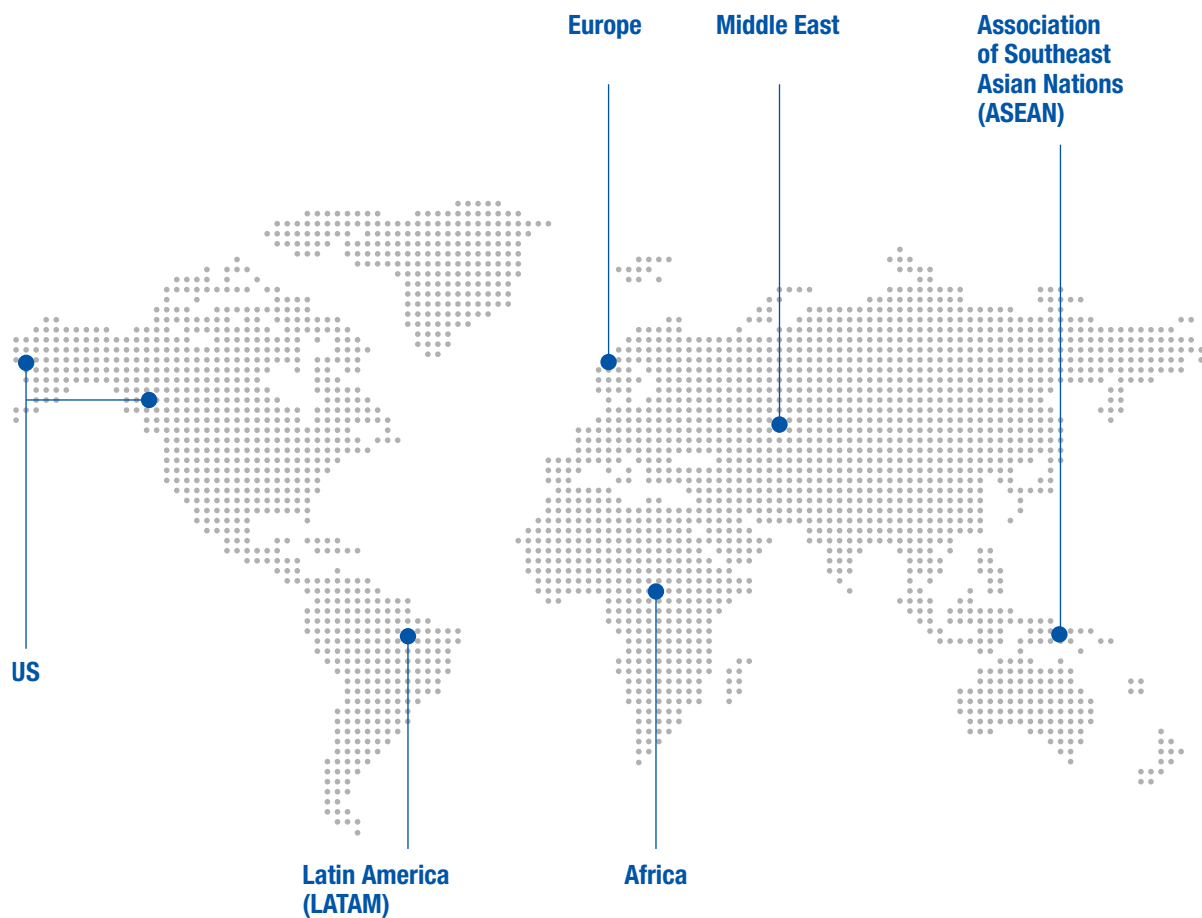
CSTL had an impactful presence at Agritechnica – the world's leading trade fair for agricultural technology show in Europe.



CSTL's Agriculture radial tyres, 85 series, were tested against competition by VTT, a third-party testing agency, based out of Finland. The tyres were tested on parameters such as Soil compaction, Traction, Comfort (vibration) and Fuel consumption. Agriculture radial tyres were found to be either better or comparable on the test parameters vis-à-vis competition.


GEOGRAPHIC PRESENCE

Global Footprint



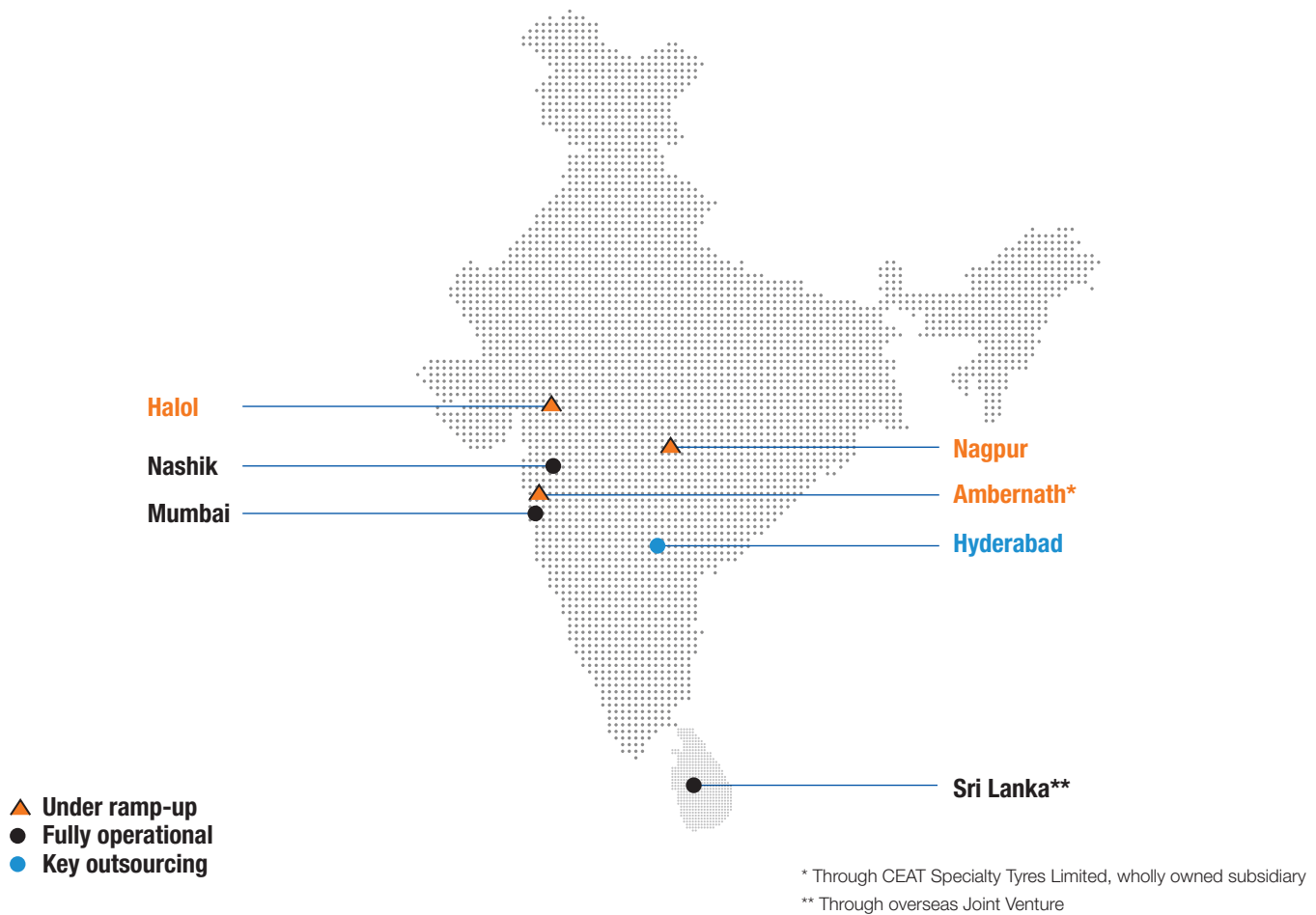
Distribution Network in India

Dealers
 **4,500+**

Two-wheeler distributors
 **270+**

Exclusives
(CEAT Shoppes and Hubs)
 **500+**

Operational Facilities



Districts covered

600+



Multi-brand outlets and shop-in-shop concepts

400+

SMART PRODUCTS

Innovation at Work

Passenger Car Tyres

Milaze X3*



High-mileage tyres with upto 1 lac km life

SecuraDrive*



Secure grip even at high speed for passenger car

CZAR HP*



Superior control at high speed for utility vehicles

Fuelsmartt



Low rolling resistance, allowing greater coverage using the same amount of fuel

Specifications

- Rigid tread blocks offering superior grip and better control

Two- and Three-wheeler Tyres

Zoom Rad X1*



High performance with comfort

Puncture-Safe



Resistance to puncture

Milaze



Superior life

Gripp



Superior grip

Specifications

- Superior road grip and safe riding experience

Truck-Bus Tyres

HCL Super



Good mileage and load-ability at an affordable price

Mile-XL Rib Pro



Higher mileage and longer life

Win Super-D



Better load-ability with longer life

Lug-XL



High load-ability and mileage

Specifications

- Enhanced treadwear and higher reliability for long hauls

*New Launch