

**An Organization Study on CEAT, BANGALORE**

**BY**

**NIKHIL**

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**1CR19MBA54**

**Submitted to**

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**



*In partial fulfillment of the requirement for the award of the degree of*

**MASTER OF BUSINESS ADMINISTRATION**

*Under Guidance of*

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Department of Management Studies

CMR Institute of Technology



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**2018-2020**



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CERTIFICATE BY THE INSTITUTION

This is to certify that Mr. NIKHIL SHARMA bearing USN 1CR19MBA54 is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on SEAT is prepared by him under the guidance of Mr. Manjunatha S, Assistant Professor, In partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

*Manjunatha S*  
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Internal Examiner: *Manjunatha S*  
[Signature & Date] *20/9/2020*

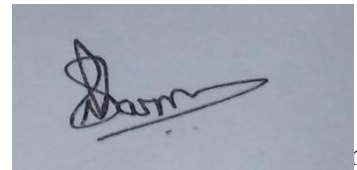
External Examiner: *[Signature]*  
[Signature & Date]  
*Dr. Praveesh B. Yaragol CMRIT*

## **DECLARATION**

I NIKHIL SHARMA here by like to declare that the internship report of “ Organizational study at CEAT ” was being prepared by me under the guidance and supervision of Mr. Assistant Professor Mr. Manjunath S, faculty member, department of management ,studies, CMRIT, Bangalore and is being now submitted to VTU, Belgaum in the possible fulfillment of the university regulation.

I future declare that this report prepared by me is original and has not formed any bases for the award of any other degree of VTU or other university.

Place: Bangalore

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'Nikhil Sharma' written in a cursive style.

Name: NIKHIL SHARMA

USN: 1CR19MBA54

## **ACKNOWLEDGEMENT**

It is gratitude and great pleasure to thank the beloved once for helping and motivating me for doing this internship report a successful one.

I would firstly like to thank CMRIT, Mr. Sandeep Kumar M, and HOD – department of management studies for encouraging in doing the internship by seeing that all the formalities are being followed. And, to my internal guide Mr. Assistant Professor Mr. Manjunath S, Department of management studies, for guiding me and clarifying the doubts has helped me in doing the internship successfully.

Place: Bangalore

Name: NIKHIL SHARMA

USN: 1CR19MBA54

## TABLE OF CONTENT

<b>Chapter No.</b>	<b>Particular</b>	<b>Page No.</b>
01	Introduction about internship, Industrial profile	1
02	Organizational profile	5
	History	8
	Vision, mission	9
	Product profile	10
	Achievements/awards received by Ceat	18

	Business Future plan for 2015 to 2021	20
03	MCKENSY's 7S Framework and porter's Five Force Model	21
04	SWOT Analysis	30
05	Analysis of Financial Statement	31
06	Learning Experience	35

# **CHAPTER: 1**

**INTRODUCTION**  
**AND INDUSTRY**  
**PROFILE**



## **Tyre Inner Tubes Market: Global Industry Analysis and Forecast to 2015 to 2021**

Tyre inner tubes are the internal components of the primary tyre which are designed to sustain air pressure. Majority of the tyres which are used in motorcycles, bicycle, and large vehicles such as tractors, heavy trucks, cars, and buses are designed for their application with inner tubes. These are made from impermeable materials such as synthetic, elastic, soft rubber for the purpose of avoiding air leakage and are torus shaped in nature. In addition, inner tubes which are larger in size possess the ability to be re used for other applications such as rafting and swimming. These tubes are large inflatable to ruses which are manufactured for these applications while also offering a choice of decks, handles, fabric covering, colors and other various accessories, eliminating the protruding valve stem. Manufacturers such as Schrader International develop inner tubes for two wheeler vehicles which provide high performance to motorcycle tube tyres. The company provides valve vulcanization for inner tubes ensuring high quality rubber adhesion and leaks. Schrader International also provides inner tubes for other vehicles such as agricultural and industrial machinery, buses, trucks and cars.

The global inner tube industry is dependent on raw materials such as rubber suppliers as well as the buyers which mainly include automotive manufacturers. More than half of the global rubber production goes into the manufacturing of automotive tyres. In addition, the inner tube and tyre industry serve as the largest application segment in the overall rubber industry. The Rubbers Manufacturers Association (RMA) represents the rubber industry where members of the association contribute to more than half of revenues generated in the rubber industry. The industry for inner tubes has always been dependent on the automotive industry. The degree of competition between the tyre inner tube manufacturers has been strong, specifically for original equipment manufacturers (OEM) among the tyre manufacturers. Due to the fact that automobile end users are more inclined towards purchasing replaced tyres of the same product which is originally sold on the car, tyre and inner tube manufacturers have to reluctantly reduce the prices and have to make the automobile manufacturers select their product, which leads to high bargaining power of buyers. Besides automotives, tyre inner tubes are used largely in the aerospace industry. Large scale corporations such as Goodyear, Bridgestone Corporation, and Dunlop are significantly involved in the manufacturing of aircraft tyres that are eco-friendly, more intelligent, economical, safer and less noisy. They are consumed in significant quantities for various civil and military applications, where military operation holds huge demand on aircraft tyres where loads can be highly substantial with speed going more than 225 miles per hour. Companies such as Dunlop have been involved in the industry as a key player which manufactures tyres used in military aircrafts from the well known Vulcan and Spitfire to the modern F-35 Joint Strike Fighter, Heavy military aircraft such as C-130, the Tornado and the Hawk, and the latest A400M. The company serves various segments of the military aviation industry such as marine corps, naval forces and air forces across the world with tyres designed to give maximum operation characteristics in the fluctuating environmental conditions as well.

# **CHAPTER: 2**

## ORGANIZATION PROFILE



<b>Type</b>	Public
<b>Traded as</b>	BSE: <a href="#">500878</a> NSE: <a href="#">CEATLTD</a>
<b>Industry</b>	Tyres & Tubes
<b>Founded</b>	Turin, Italy (1924; 96 years ago)
<b>Founders</b>	Virginio Bruni Tedeschi
<b>Headquarters</b>	Worli, Mumbai, India
<b>Key people</b>	Harsh Goenka (Chairman) Uh Anant Goenka (MD)
<b>Revenue</b>	▲ ₹63,302.5 million (US\$890 million) (FY 2017–18) <sup>[1]</sup>
<b>Net income</b>	▲ ₹2,787.2 million (US\$39 million) (FY 2017–18) <sup>[1]</sup>
<b>Total equity</b>	▲ ₹404.5 million (US\$5.7 million) (FY 2017–18) <sup>[2], [3]</sup>
<b>Number of employees</b>	~8,000
<b>Parent</b>	RPG Group
<b>Website</b>	<a href="#">ceat.com</a>

Cavi Eletttricie Affini Torino, commonly known by the abbreviation CEAT, is the flagship company of RPG Group. It was established in 1924 in Turin, Italy. As of date, CEAT is one of India's leading tyre manufacturers and has a presence in global markets. CEAT produces over 165 million tyres a year and manufactures tyres for passenger cars, two-wheelers, trucks and buses, light commercial vehicles, earth-movers, forklifts, tractors, trailers, and auto-rickshaws. The current capacity of CEAT tires' plants is over 800 tons per day.

The company was founded as Cavi Eletttricie Affini Torino (Electrical Cables and Allied Products of Turin) by Virginio Bruni Tedeschi in 1924, in Turin, Italy.<sup>1</sup> On 10 March 1958, the company was incorporated as CEAT Tyres of India, in Mumbai. Initially, the company collaborated with the Tata Group. In 1972, the company set up a research and development unit at Bhandup. In 1981, Deccan Fiber Glass Limited was merged with the company.

In 1982, RPG Group acquired the company, and in 1990, the company was renamed as CEAT. In 1993, the company collaborated with Yokohama Rubber Company, to manufacture radial tyres at their Nasik unit. In 1999, CEAT formed a joint-venture, named as CEAT Kelani, with Asia Motor Works (AMW) and Kelani Tyres, to manufacture and market CEAT tyres in Sri Lanka. In 2006, CEAT Kelani commissioned their first Sri Lanka-based radial-tyre manufacturing unit in Kalutara. In 2009, AMW exited the joint-venture.

Mumbai head-quartered RPG Enterprises is one of Indian's largest industrial conglomerates. With over 15 companies in its fold, the group has a strong presence across core business sectors such as Infrastructure, Tyre, IT and Specialty.

## **HISTORY**

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**VISSION:**

To provide better value to every passenger and goods Carrier in the nation through economical and technologically advanced tyre solutions.

**MISSION:**

Innovate and Lead

Our passion for innovation and our efforts to excel is synergized by cutting edge technologies, processes and practices with sustainable development that produce high quality and economically beneficial tyre solutions, whilst demonstrating respect for customers, stakeholders, the society and environment

## PRODUCTS AND SERVICES

# 165 Million Tyres / year production



Mumbai head-quartered CEAT, the flagship company of the Rs 22,000-crore RPG Enterprises, was established in 1958. Today, CEAT is one of India's leading tyre manufacturers and has strong presence in global markets. CEAT produces over 15 million tyres a year and offers the widest range of tyres to all segments and manufactures world-class radials for: heavy-duty trucks and buses, light commercial vehicles, earthmovers, forklifts, tractors, trailers, cars, motorcycles and scooters as well as auto-rickshaws.

CEAT produces **first**  
**class high**  
**performance tyres for**  
**a wide range of**  
**vehicles**





## International Business

CEAT continues to be a dominant player in tyre exports from India. Geographically, the Company has a stratified export market divided into seven clusters. This division has helped CEAT better understand customer needs and design market-specific products. This year, CEAT expanded its global footprint by entering 9 new countries.



Product launch & showcase -  
BAUMA CONEXPO 2018



## Product Portfolio

# Smarter Products for Smarter Mobility

### Passenger Car Tyres



#### Milaze X3

Tyres with high mileage



#### Secura Drive

Tyres that provide a secure grip even at high



#### CZAR HP

Tyres that provide superior control at high speed



#### Fuelsmartt

Tyres that provide low rolling resistance, thus translating into greater fuel savings

### Two Wheeler Tyres



#### Milaze

Tyres with superior



#### Gripp X3

Tyres that provide



**Zoom**



**Gripp XL**

## Truck-Bus Radial Tyres



**WinMile X3**

Tyres with high mileage  
(for long haul  
highway application)



**WinLoad X3**

Tyres made to carry  
heavy loads



**Aayushmaan series**

Tyres designed to  
have a good grip



**Aayushmaan plus**

Tyres that offer puncture  
protection, in addition to  
giving good grip

## Light Commercial Vehicle Tyres



**Buland Lug XL Pro**

Tyres with better loadability



**Milaze**

Tyres with high mileage and better loadability

## Last Mile Tyres



**Buland Mile XL Rib**

Tyres for cargo application



**Anmol Rib HD**

Tyres for cargo and passenger applications with long life



**Milaze LT**

Tyres for passenger application with long life and durability

## Association with Sports

### BAT SPONSORSHIP



CEAT entered into an association with Mayank Agarwal, a promising young Indian Cricketer. This endorsement makes Mayank a valuable addition to team CEAT, which also has the likes of Rohit Sharma, Ajinkya Rahane, Shubman Gill and Harmanpreet Kaur. CEAT also renewed its association with Rohit Sharma.

### CEAT CRICKET RATING



CEAT Cricket Rating (CCR) is the first cricket rating to officially recognize and reward cricketers for their performances in the international and domestic cricket arena. The CCR International Awards 2019 honored the best of the international cricketers like Rohit Sharma, Jasprit Bumrah, Virat Kohli, Cheteshwar Pujara.



## INDIAN PREMIER LEAGUE



CEAT continued its ongoing partnership with Indian Premier League as the ‘Strategic Timeout Partner’ driving higher visibility during the biggest cricketing event in India.

### Shareholding Pattern - Ceat Ltd.

Holder's Name	No of Shares	% Share Holding
NoOfShares	40450092	100%
Promoters	18885245	46.69%
ForeignInstitutions	11180158	27.64%
NBanksMutualFunds	2684927	6.64%
CentralGovt	67	0%
Others	2394177	5.92%
GeneralPublic	4106317	10.15%
FinancialInstitutions	1199201	2.96%

## **ACHIEVEMENTS/AWARDS**

### **Marketing and Advertising Awards**



**Creative Excellence Award, India Awards** CEAT bags the Creative Excellence Award at Indi AA Awards - 2017



**Silver Award, Big Bang Awards** Best Media Innovation Radio, Drive Safe Dad Campaign - 2016



**Silver Award, India Digital Media Awards** Best Integrated Media Campaign-Films/TV shows/Events, Chase the Monsoon-3 - 2016



**Gold Award, Media Abby Awards, Goafest** Best Use of Mobile Media – Drive safe dad - 2015



**Gold Award, The Advertising Club, Emvies** Best media Innovation-Digital-Mobile/Handheld Devices – Drive safe dad - 2015



**Gold Award, Abbys-Goa Fest** Best Non Fiction Series, Chase the monsoon – 12014



**Effies Silver** Superior Grip Sustained campaign - 2014

## Exports Awards



Effie (bronze) in the category: Automobiles and auto parts, two wheelers and auto related for CEAT Nimbu Mirchi campaign



CEAT features amongst the Top 100 Franchise Opportunities for the year 2014 by Franchising World, India's largest circulated franchising magazine, in their 16th annual survey

## Other Quality Awards



Deming Prize for Total Quality Management - Oct 2017



ABK - AOTS 5S Excellence Award - Jan 2017



ABK - AOTS 5S Excellence Award - Dec 2016



British safety council: Sword of Honor - Nov 2016



British safety council: 5 Star - Mar 2016



6th Annual Manufacturing & Supply Chain Award



Employers Federation of India - National Excellence Award in Employee Relations - Dec 2015

## Customer Satisfaction



CEAT ranked highest in India for Original Equipment (OE) Tyre customer satisfaction in a study by J.D Power2017



## **FUTURE PLAN**

CEAT plans to set up two plants, one in Maharashtra for specialty tyres and the other for radial tyres for cars, utility vehicles and trucks at a total capital outlay of about Rs 900 crore.

Ceat plans Rs250 crore tyre manufacturing plant in Bangladesh.

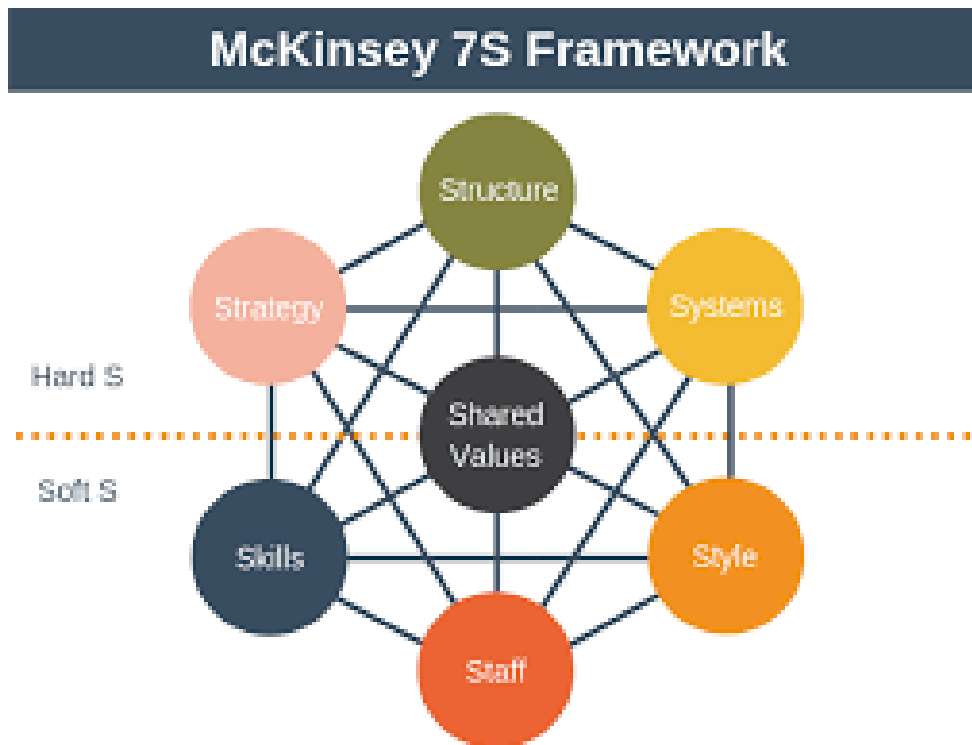
The firm aims to capture 40% of the projected demand of cross-ply tyres in the region by 2015. Cross-ply tyres are different from radial or radial-ply tyres, a newer technology.

All passenger cars in India use radials and commercial vehicles too are moving in that direction.

Bangladesh imports at least 1.5 million tyres annually. Of this, around 60% come from India and the rest from China, Indonesia, Japan and Thailand.

# **CHAPTER: 3**

## MCKINSEY'S 7'S MODEL:



### 1. Structure

Structure is the way in which a company is organized – chain of command and accountability relationships that form its organizational chart.

### 2. Strategy

Strategy refers to a well-curated business plan that allows the company to formulate a plan of action to achieve a sustainable competitive advantage, reinforced by the company's mission and values.

### 3. Systems

Systems entail the business and technical infrastructure of the company that establishes workflows and the chain of decision-making.

### 4. Skills

Skills form the capabilities and competencies of a company that enables its employees to achieve its objectives.

## **5. Style**

The attitude of senior employees in a company establishes a code of conduct through their ways of interactions and symbolic decision-making, which forms the management style of its leaders.

## **6. Staff**

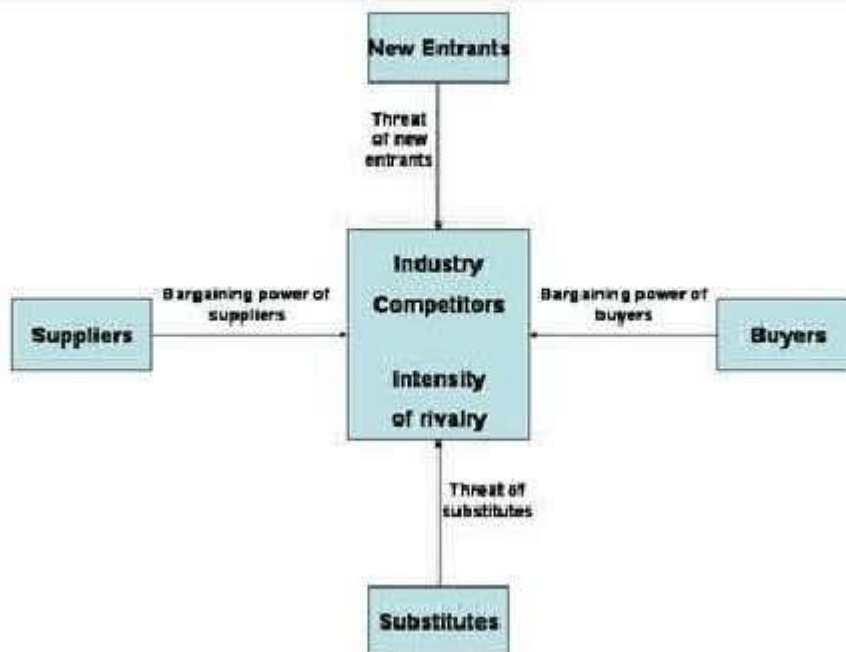
Staff involves talent management and all human resources related to company decisions, such as training, recruiting, and rewards systems.

## **7. Shared Values**

The mission, objectives, and values form the foundation of every organization and play an important role in aligning all key elements to maintain an effective organizational design.

## Michael Porter's Five Forces Model, a way to look at Indian Tyre Industry.

Michael E Porter's five forces model is any day a best tool to analyze any business industry. So with this article I have tried to look at Indian Tyre Industry through Porter's view.



# **CHAPTER: 4**

## **SWOT ANALYSIS:**

### **Strength**

- ✓ Establish brand name.
- ✓ Extensive distribution network
- ✓ Research & development initiation

### **Weakness**

- ✓ Cost pressures
- ✓ Lack of focus
- ✓ Pricing pressure

### **Opportunities**

- ✓ Economic growth
- ✓ Global sourcing of raw materials
- ✓ Improvement in road transport & infrastructure
- ✓ Increase in demand of radials especially for MHCV, LCVs

### **Threat**

- ✓ Increasing prices of natural rubber
- ✓ Cheaper imports
- ✓ Increasing crude of prices
- ✓ Ban on overloading of vehicles

# **CHAPTER: 5**



## Financial Statement Analysis:

### Values

CEAT's values define our customer-centric culture which is led by innovation, passion and transparency.

#### CHALLENGER

Innovative and agile, questioning the existing ways and promoting experimentation

#### ASPIRATION-LED

Purpose-led, passion for superior performance and walking the extra mile

#### INTEGRITY

Being authentic, transparent and keeping commitments

#### RESULT OBSESSION

Passion, high energy, speed and collaboration

#### OPENNESS

Approachable open and boundary-less



**Ranked amongst top 25** In Manufacturing



### Key Facts

**E7,023 Crores**

Consolidated total income

**E 663 Crores**

Consolidated EBITDA (excluding non-operating income)

**E 251 Crores**

Consolidated PAT

**E 12**

Dividend per share

**E 1,199 Crores**

Capital expenditure

**124**

New products launched (CEAT & CSTL)

**100+ countries**

Global presence

**1Lac+ tyres**

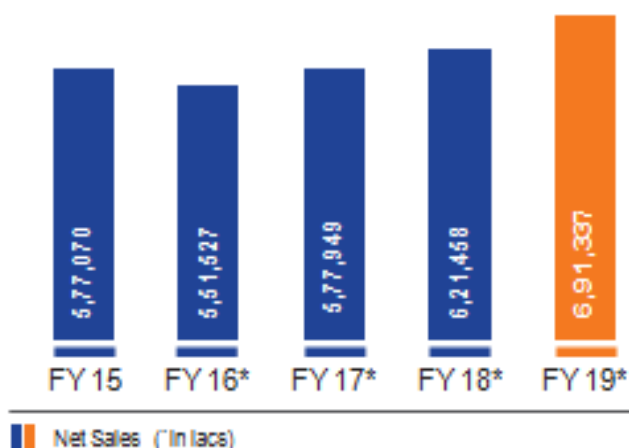
Manufacturing capacity per day



**\$1 Billion** Revenue Organization

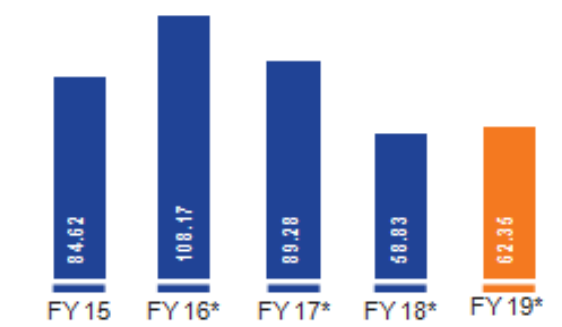
### Net Sales

(`in lacs)



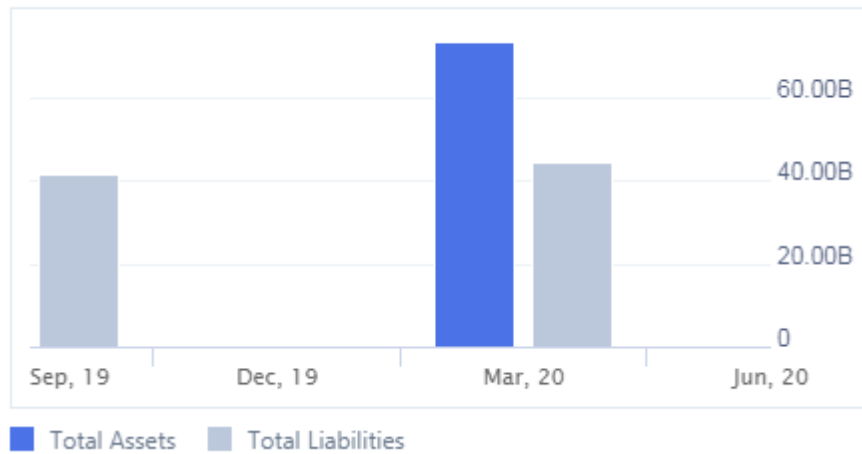
### Earnings Per Share

(` per share)



\*Net includes interest capitalised during the year  
Average capital employed considered for ROCE/ROE  
5 ROCE calculated based on PBIT \* (1-Tax rate)

Title	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Total Revenue	11,201.60	15,734.10	17,617.70	16,915.50
Gross Profit	4,508.90	7,182.60	7,570.30	6,959.20
Operating Income	16.80	1,004.60	1,124.30	1,024.90
Net Income	-347.60	518.80	527.90	439.80

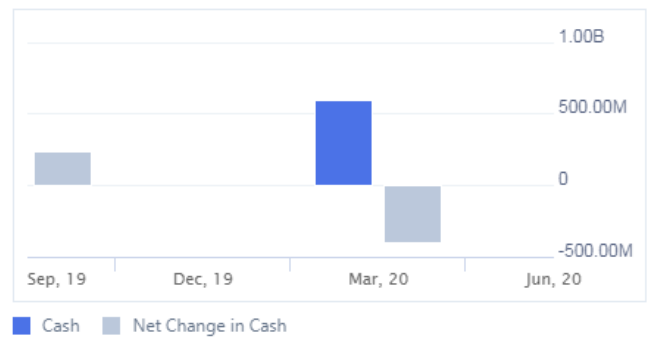


Title	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Total Assets		73,529.30		70,183.30
Total Liabilities		44,450.10		41,696.60
Total Equity		29,079.20		28,486.70

Title	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Cash From Operating Activities		9,563.30		4,753.40
Cash From Investing Activities		-10,755		-6,169.90
Cash From Financing Activities		790.20		1,657.20
Net Change in Cash		-401.50		240.70

## CEAT Cash Flow Statement

	CEAT
Cash Flow/Share TTM	99.68
Revenue/Share TTM	1,519.49
Operating Cash Flow	-



# **CHAPTER: 6**

## **LEARNING EXPERIENCE:**

It is about ensuring holistic development of employees through functional, technical and behavioral inputs provided throughout an employee's lifecycle.

Learning inputs are focused on function and role based competencies required to succeed. CEAT delivers these inputs through their Sales Academy, Technical Academy and QBM Academy.

### **Creating Leaders through the Young Executive Board (YEB)**

YEB is an aspiration forum for young managers who work under guidance of top management on projects pertaining to business excellence. The members go through special development interventions like sessions with industry experts, attending top management meetings, mentoring by senior leaders etc.

## **BIBLIOGRAPHY:**

### **BOOKS**

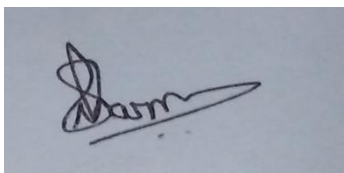
- ✓ Marketing management - Philip Kotler

### **SITES**

- ✓ [www.studymode.com](http://www.studymode.com) (for distribution channel)
- ✓ [www.ceat.in](http://www.ceat.in)

## WEEKLY PROGRESS REPORT

Student Name	Nikhil Sharma
USN	1CR19MBA54
Title of the Study	An organization study of CEAT
Organization	CEAT
<b>WEEK-1</b>	
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
<b>WEEK-2</b>	
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
<b>WEEK-3</b>	
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
<b>WEEK-4</b>	
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