

CEAT TYRES- The Captivating Culmination

CEAT the flagship company of RPG Group was incorporated on 10th March 1958, at Mumbai as CEAT Tyres of India Ltd. The establishment was in collaboration with Tata Group. The main objective of company then was to design, manufacture, produce and repair, purchase and sell and to deal in tyres and in circle tubes for all types of vehicles.

After two years of establishment, in Feb 1960, the first tyre got rolled out from the company's Bhandup factory in Mumbai and this with right efforts on its research and development saw no end of innovative new product design launches in market. The company experimented with new product types and designs and after almost 6 decades the company has 49 new products in its product basket.

By 2019 the Company had the 4 subsidiaries namely CEAT Specialty Tyres Limited Mumbai (CSTL), Rado Tyres Limited Kochi (RTL), Associated CEAT Holdings Company (Private) Limited Colombo Sri Lanka (ACHL) CEAT AKKhan Limited Dhaka Bangladesh (Business Standard, 2019).

CEAT is known for the production of its excellent high performance tyres for a wide range of vehicles. The company manufactures tyres for two and three wheelers, passenger vehicles and utility vehicles and also for commercial vehicles and off-highway vehicles. The company produces over 37 million tyres every year catering to the demand relating to various vehicle types (Economic Times, 2020). CEAT also manufactures its tubes and aps available with excellent quality in market. The replacement Original Equipment Manufacturing (OEM) and International Business segments accounted for 59% 29% and 12% of CEAT's revenue respectively in FY19.

The Company has strong channel of network which extends to more than 4000 dealers and over 30000 sub-dealers. The Company currently has 4 manufacturing facilities at Bhandup (the oldest), Nashik, Nagpur and Halol (Business Standard, 2019)

With excellent quarterly growth in the recent financials, the book value per share for the company has improved for last 2 years. Growth in operating profit with increase in operating margins year over year has contributed to company's EPS growth. Currently CEAT has impressions over 100 countries across the world.

Table 1 provides information about the net sales turnover, total income, total expenses and operating profit of CEAT limited over last 5 years.

	Net Sales Turnover	Total Income	Operating Profit	Total Expenses
Mar'20	6581.11	6622.45	705.3	5875.81
Mar'19	6831.3	6886.6	637.53	6193.77
Mar'18	6161.34	6218.15	627.38	5533.96
Mar'17	5701.73	5743.19	660	5041.73
Mar'16	5494.15	5541.31	789.89	4704.26

Table 2 provides details of the share price of CEAT Tyres as quoted at National Stock Exchange (NSE)

Date	Open	High	Low	Close	Volume
Monday, November 2, 2020	1085	1134	1064	1106.15	336577
Tuesday, November 3, 2020	1108	1170	1106.15	1120.65	374824
Wednesday, November 4, 2020	1127.55	1140	1106.1	1109.35	128150
Thursday, November 5, 2020	1132	1135	1107	1109.75	108506
Friday, November 6, 2020	1110.5	1135	1086.7	1109.55	229800
Monday, November 9, 2020	1122	1129	1116	1121.8	112807
Tuesday, November 10, 2020	1125	1144	1101.7	1115.25	138490
Wednesday, November 11, 2020	1124	1127	1102	1110.4	81961
Thursday, November 12, 2020	1115	1120	1103	1107.85	115014
Friday, November 13, 2020	1109.75	1110	1088.55	1107.2	68593
Tuesday, November 17, 2020	1130.5	1169.9	1121.3	1130.55	355781
Wednesday, November 18, 2020	1127.7	1148.8	1127.7	1140.25	103374
Thursday, November 19, 2020	1151	1174.45	1127.7	1134.15	210562
Friday, November 20, 2020	1144	1168	1138	1140.1	189344
Monday, November 23, 2020	1148	1159.9	1124	1128.35	129381

Tuesday, November 24, 2020	1135.75	1150.75	1129.5	1139.45	127794
Wednesday, November 25, 2020	1148	1148	1112	1121.7	79513
Thursday, November 26, 2020	1127	1131.85	1111	1121.85	77155
Friday, November 27, 2020	1125	1158	1125	1148.35	316697
Tuesday, December 1, 2020	1160	1208	1155.1	1170.3	501097
Wednesday, December 2, 2020	1179	1180	1156	1168.65	140792
Thursday, December 3, 2020	1175	1183	1151.1	1159.45	201777
Friday, December 4, 2020	1168.9	1177.95	1143	1153.9	110221
Monday, December 7, 2020	1159.9	1165	1140.25	1148.95	103031
Tuesday, December 8, 2020	1158.35	1159.85	1138	1144.15	81042
Wednesday, December 9, 2020	1148	1176	1142.05	1157.1	359719
Thursday, December 10, 2020	1163.2	1173.4	1151	1155.4	134272
Friday, December 11, 2020	1164.3	1178	1151	1159.2	363589
Monday, December 14, 2020	1160	1170.9	1155	1164.6	89102
Tuesday, December 15, 2020	1160	1167	1141	1152.1	68893
Wednesday, December 16, 2020	1159	1191.8	1106.8	1139.35	466589
Thursday, December 17, 2020	1146.8	1168	1101	1118.85	347462
Friday, December 18, 2020	1134	1134	1102	1112.45	168299
Monday, December 21, 2020	1120	1122.5	1025	1035.85	290686
Tuesday, December 22, 2020	1041	1074	1020	1065.5	204628
Wednesday, December 23, 2020	1070.75	1082	1040	1066.75	120755
Thursday, December 24, 2020	1073.6	1084.05	1051.75	1060.4	135857
Monday, December 28, 2020	1069	1077	1060	1064.3	110618
Tuesday, December 29, 2020	1071	1089.9	1066.05	1070.4	176708
Wednesday, December 30, 2020	1075	1084.8	1051.55	1071.5	167838
Thursday, December 31, 2020	1073	1084.95	1066	1080.95	101136
Friday, January 1, 2021	1086	1097.8	1080.5	1093.45	90420
Monday, January 4, 2021	1105	1141.3	1088.55	1134.05	301558
Tuesday, January 5, 2021	1136	1159.5	1125.4	1154.4	234460
Wednesday, January 6, 2021	1156	1174.55	1124.8	1146.05	194989
Thursday, January 7, 2021	1156.05	1168	1146.65	1153.7	133440
Friday, January 8, 2021	1163.9	1205	1156.05	1200.7	425886
Monday, January 11, 2021	1206	1254.8	1184.2	1193.55	817597

Tuesday, January 12, 2021	1199.6	1209.9	1187.6	1195.3	315059
Wednesday, January 13, 2021	1205	1250	1178.05	1183.55	681124
Thursday, January 14, 2021	1191	1224.9	1180	1193	470748
Friday, January 15, 2021	1194	1272.4	1194	1255.35	812036
Monday, January 18, 2021	1256	1257.4	1189.05	1206.85	526142
Tuesday, January 19, 2021	1218.85	1299	1218	1273.65	1544067
Wednesday, January 20, 2021	1300	1353	1291	1310.15	2356366
Thursday, January 21, 2021	1321	1477.7	1320.15	1427.8	3383755
Friday, January 22, 2021	1440	1535	1437	1495.9	2965273
Monday, January 25, 2021	1507.95	1541.9	1425	1496.8	1228643
Wednesday, January 27, 2021	1459	1519.4	1426.7	1491.7	689226
Thursday, January 28, 2021	1452	1564.9	1430.25	1541.05	703251
Friday, January 29, 2021	1545	1554.75	1445.1	1470.9	424601

Source: Websites of Money control, NSE, Economic Times and Business Standard.

Questions:

From the data given above,

Answer the following:

1. Find the average sales turnover of CEAT Tyres for the given period.
2. Find the average operating profit of CEAT Tyres for the given period.
3. Find the range of the total expenses over the period given.
4. Find the average high price of the share of CEAT Tyres during the month of December 2020.
5. Find the average close price of the share of CEAT Tyres during the month of November 2020.
6. What is the modal low price in the month of November 2020?
7. Calculate the median open price value in the month of November 2020
8. Comment on the average close price over the months of November and December 2020.
9. Average open price in which months out of December 20 and January 2021 was better?

10. Calculate the average close price over the given months.

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