



CEAT Ltd.
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463 Dr. Annie Besant Road,
Worli, Mumbai 400030, India
+91 22 24930621
CIN: L25100MH1958PLC011041
www.ceat.com

June 6, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Security Code: 500878

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

Symbol: CEATLTD

NCD symbol: CL23, CL25

**CP Listed ISIN: INE482A14BA3,
INE482A14BB1, INE482A14BC9**

Sub: Notice of 63rd Annual General Meeting and Integrated Annual Report for FY 2021-22

Dear Sirs /Madam,

This is in furtherance to our communication dated June 1, 2022, conveying that the 63rd Annual General Meeting ('AGM') of the Company will be held on Tuesday, June 28, 2022, at 3.00 p.m. (IST) through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM'), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India in this regard.

Accordingly, pursuant to Regulation 34(1), Regulation 30(2) and Regulation 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Integrated Annual Report of the Company for the Financial Year 2021-22 including the Business Responsibility Report, together with the Notice of AGM, being sent through electronic mode to all the Members of the Company, whose e-mail addresses are registered with the Company / Company's Registrar and Transfer Agent, TSR Consultants Private Limited / Depository Participant(s).

The Notice of the AGM of the Company *inter alia* provides the process and manner of remote e-Voting / e-voting at the AGM and instructions for participation at the AGM through VC / OAVM.

The Integrated Annual Report and Notice of AGM are also available under the 'Investors tab' on the website of the Company at www.ceat.com.

You are requested to kindly take the same on record and disseminate appropriately.

Thanking you,

Yours faithfully,
For **CEAT Limited**

Vallari Gupte
Company Secretary and Compliance Officer

Encl: as above



Towards a Planet Positive Future

2021-22

CEAT LIMITED
INTEGRATED ANNUAL REPORT

About RPG

RPG Group is a global diversified conglomerate with businesses in the areas of Tyre, Infrastructure, Information Technology, Pharmaceuticals, Energy, Plantations and Venture Capital. Founded by the legendary industrialist Dr. R.P. Goenka, the Group's lineage dates to the early 19th century.

Today, the group has several companies in core sectors of the economy: the most prominent among them being CEAT, KEC International, Zensar Technologies, RPG Life Sciences, and Harrisons Malayalam. Built on a solid foundation of trust and tradition, the RPG name is synonymous with stability, steady growth, high standards of corporate governance and a culture of respect for people and the environment.

hello happiness

"Hello Happiness", is RPG's giant step towards becoming a truly happy organisation, where inspired employees take ownership and march towards their greater purpose.

Ever since we embraced the philosophy a few years ago, we are sparing no effort to promote a culture and environment of happiness as a "way of life" at RPG Group. Amongst a slew of people-first policies, we have continued to work on different initiatives that promote the happiness of our people, investors, customers and the lesser privileged. Within this ecosystem, our people are happily committed to a high-performance culture, empathy, and customer delight.

The world of tomorrow needs to be taken care of today. That is our guiding philosophy for sustainable business growth while our social initiatives across sectors such as education, health, and empowerment, aim to create a better world for the communities we serve.

"Hello Happiness" is not just another tagline for us. It is action-oriented to finding and achieving our purpose in life, both organisational and personal. It is a proud proclamation that we are an organisation where happy employees keep the interests of all our stakeholders ahead of themselves leaving a legacy for generations to come.

Towards a Planet Positive Future

With the legacy of pioneering innovation, CEAT has always strived to be the driving force of change in the mobility space with the purpose of **'Making Mobility Safer and Smarter. Every Day'**. CEAT's strength lies in its values led by Total Quality Management (TQM). We believe that we exist to solve problems and innovate on behalf of the customer. We achieve our goals through systemic activities and believe in 100% people involvement in improvement activities. It is the constant commitment to deliver on this responsibility that makes CEAT stand tall amidst its competitors.

The guiding principles of ESG have been at the forefront of the sustainability journey of CEAT "To reduce carbon footprint by 50% by 2030". The Company endeavors to take initiatives that will create a greener and planet positive future for the upcoming generations by taking less and giving more in a very intentional, transparent, and accountable way. CEAT not only intends to reduce its environmental impact but also strengthen its stakeholder relationship through responsible sourcing and enhanced

customer experience while touching the human lives and communities positively.

CEAT's leadership has indicated a shift in perspectives on organizational functioning, by adopting a roadmap for responsible and sustainable growth in the years to come, supported by the ESG policy framework and a long-term strategy in specific domains. By integrating sustainability into its vision and strategy, CEAT has become agile

and resilient in responding to the challenges.

A diverse workforce, sustainable and inclusive policies and empowerment across the Company have resulted in a collaborative workspace that delivers innovation and quality to the minutest detail. With safety and care at its core, CEAT is treading with confidence towards planet positive future and ambitions to lead the sustainable transformation.

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CEAT on Social Media:

-  @ceattyresindia
-  @CEATtyres
-  @ceat_tyresindia
-  Ceattyres2010
-  ceat-tyres-limited



Scan this code with a QR reader app on your smartphones or tablets to access this Integrated Annual Report.

For more details, please visit www.ceat.com

CEAT: Conquering Terrain

CEAT is one of India's most reputable and reliable tyre manufacturer. The Company is in the production of high-grade tyres, which are built to endure obstacles and enhanced performance in various segments across the automobile industry. Headquartered in Mumbai, the Company has its operations spread across India, with six state-of-the-art and technologically advanced manufacturing plants and an advanced R&D centre. The Company also has a global footprint with exports in more than 100 countries. CEAT fosters innovation and smart solutions across its value chain with emphasis on sustainability, for the fulfilment of purpose of 'Making Mobility Safer and Smarter. Every Day'.

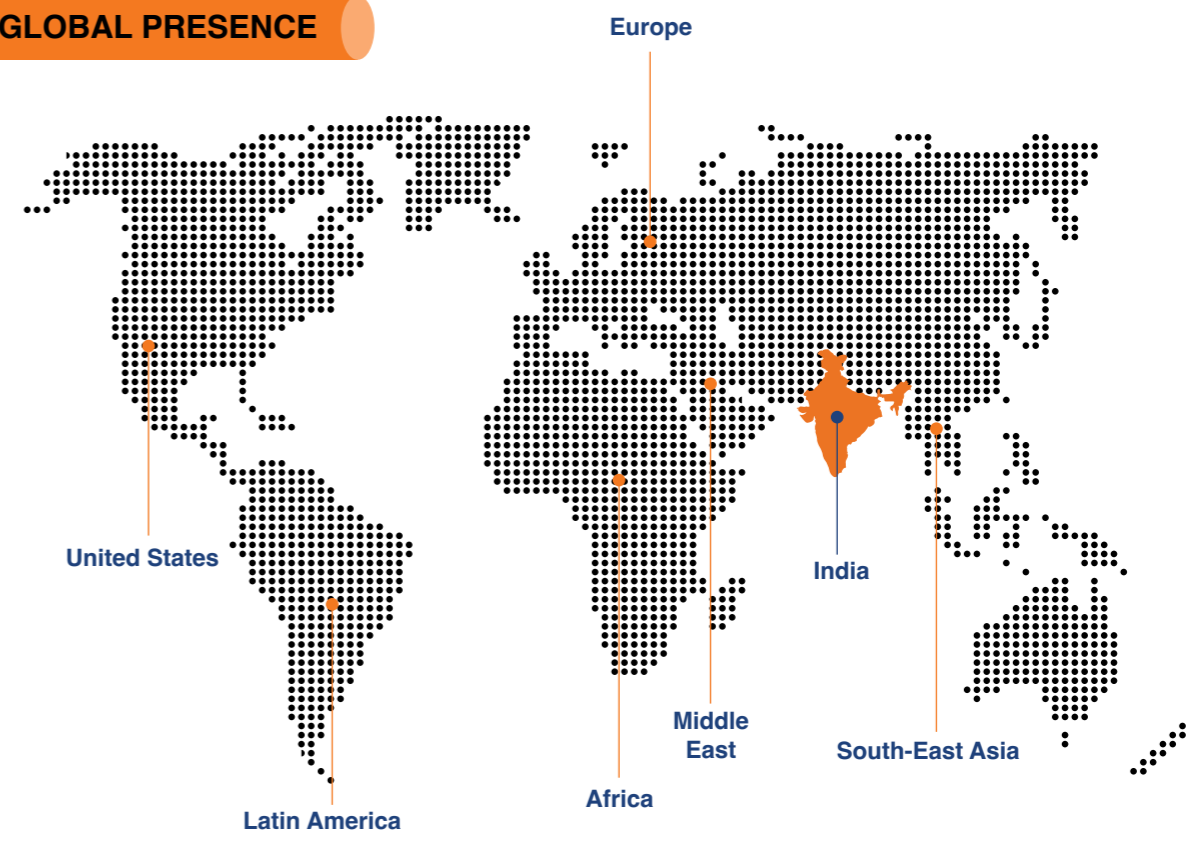
CEAT's VALUES



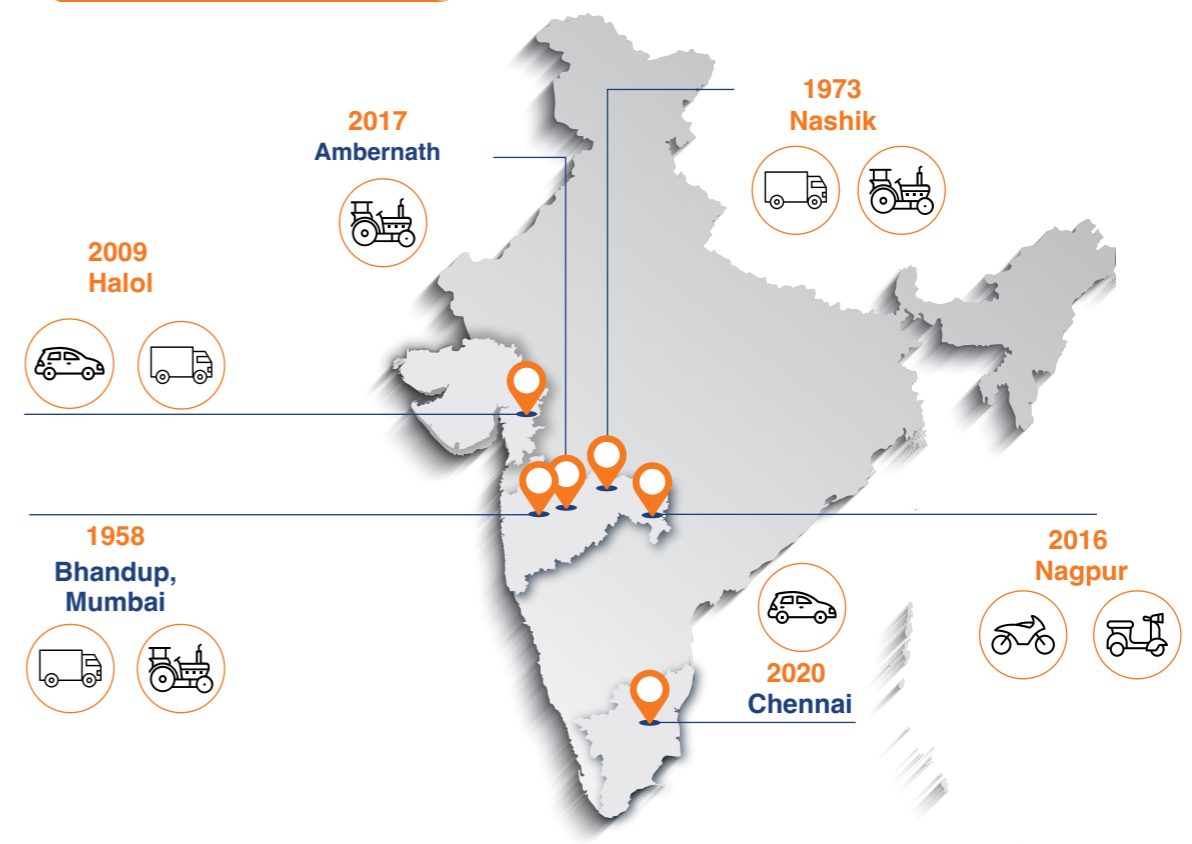
Making Mobility Safer and Smarter. Every Day.



GLOBAL PRESENCE



NATIONAL PRESENCE



Corporate Overview
Value Creation
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Chairman's Message



We firmly believe growth must be 'green' and sustainable and are committed to enable a planet positive future.



Dear Shareholders,

Global markets in general and commodity markets in particular continue to be in turmoil as the conflict in Ukraine adds to the disruptions brought about by the pandemic. With the inflation threat looming large, economies across the globe are instituting measures to combat stagnating economic growth and rising unemployment.

India, having overcome many hurdles during the pandemic, did well to achieve a high degree of vaccination coverage and also adopt measures to generate reasonable demand for goods and services. As a result core sectors are growing, GST collections are at an all-time and India has now earned the mantle of the world's fastest-growing major economy.

The tyre industry witnessed significant rise in input costs and CEAT was no exception. Sales continued to grow, backed by cutting-edge technology, innovative product portfolio and higher efficiencies. Margins, however, came under significant pressure and led to lower profits.

Customer centricity, employee wellness, good governance and societal welfare remain at the core of our business ethos. We continued to extend significant support to the nation in its fight against the pandemic through various interventions including the setting up of fever clinics and testing infrastructure.

It is our endeavour to be among the world's most advanced production facilities. After winning the Deming Prize in 2017, CEAT has now embarked upon an ambitious plan for the 'Lighthouse' certification of its plants at Chennai, Halol and Nagpur by adopting Industry 4.0 technologies. We firmly believe growth must be 'green' and sustainable and are committed to reduce CO₂ emissions by 2030, to move towards a planet wpositive future.

As we strive for a better future, we continue to set new paradigms every day. In a challenging business environment, agility, innovation, and adaptability are key to staying successful and true to our mission of 'Making Mobility Safer & Smarter. Every Day.

H.V. Goenka

Chairman

MD's Message



Dear Shareholders,

With every new day, the world is stepping into a new reality with unprecedented challenges. We are experiencing a world with increasing volatility and uncertainty due to global pandemic and geo-political tensions. CEAT has constantly adapted with speed and agility to manage the changes in macro-economic factors and has evolved into a stronger brand.

While the year 2020-21 saw sharp impact on businesses due to nationwide lockdown imposed, the beginning of financial year 2021-22 saw sudden surge in the COVID cases and loss of life. The year progressed with depletion in number of COVID cases and gradual increase in personal mobility but there were several other roadblocks such as supply chain disruption, shifts in the business paradigm in the last two years due to the COVID-19 pandemic, sharp rise in commodity prices, sluggish demand and finally the geo-political conflict between Russia-Ukraine.

Learning from the year 2020-21 and moving into 2022, we at CEAT feel immense pride in our purpose and culture coupled with the focus on building stronger association with Safer, Smarter and Sustainable mobility.

The year gone by:

This year was difficult for the industry, primarily due to slow domestic demand and cost pressures. Semiconductor shortage also impacted the growth in the passenger OEM segment. Despite the challenging year, we leveraged the opportunities in OEMs and Global markets and strengthened relations with OEMs to continue our growth momentum with specialized products and entry into new countries.

During the year, many companies and industries witnessed the "Great Resignation". While many companies saw high levels of attrition, CEAT's culture of caring for its people held us in good stead. Its overall efforts towards unleashing talent and empowerment resulted in CEAT being ranked amongst the Top 50 companies by Great Place to Work® (GPTW).

Global Market:

We are witnessing strong growth in our International Business as Global markets especially Europe and USA have shown strong demand post pandemic. These markets are looking for a China-plus-one strategy to de-risk supply chains. This is a great opportunity for the Indian Tyre Industry. CEAT is witnessing stellar growth in EU passenger segment and continuously expanding our business in France, UK and Germany.

Business performance:

We grew our revenues by 23% at consolidated level. However, the margins were impacted due to a sharp increase in raw material prices and high volatility in crude resulting in lower profits for the year at consolidated level. Despite margin pressure we continued to invest in the brand with our partnership with IPL Strategic Timeout, on the bats of various leading cricketers and with Aamir Khan as our brand ambassador.

Anant Goenka



CEAT is continuously working on exploring possibilities of adding more green raw materials, renewable energy to create tyres with focus on customer safety.

R&D and Recognition:

Our world class research & development capabilities have been awarded by Questel India on the remarkable work done on intellectual properties and pathbreaking technologies. CEAT will continue to invest in R&D to develop new generations of tyre to enhance its brand and customer satisfaction. We launched industry first products like Colour Tread Wear Indicator (TWI) with which customer can now easily identify the right time to replace their tyres. In addition to this, our premium range of tyres have received encouraging response from the market. CEAT has become a preferred supplier for major OEMs for their premium sedans and SUVs on account of good quality products in nearly all segments. Our Puncture Safe Tyres also won the Best New Product Launch in 'The Smarties India 2021' and gold medal in the Brand Equity Media Strategy Awards.

ESG Roadmap:

Sustainability is an essential part of what we do at CEAT and is integrated into the way we do business. CEAT's ESG roadmap is a key driver to navigate the gradual and smart transformation of people, product and processes.

One of the core focus areas in our ESG roadmap is improved 'Diversity

and Inclusion'. As part of this, women participation in new plants is at 40% with target to increase it to 50%. CEAT has achieved close to 32% gender diversity in our new hires and had first batch of 7 transgender joined this year. CEAT introduced 'INWEAVE', our in-house internship program for women aspiring to return to the corporate world after maternity break and for specially-abled candidates. These initiatives are something that we feel very proud of at CEAT.

On sustainability, CEAT is continuously working on exploring possibilities of adding more green raw materials, renewable energy to create tyres with focus on customer safety. Renewable energy contributes to 26% of our total energy consumption, and we plan on doubling our renewable energy consumption.

We continue the ESG journey and community initiatives by innovating continuously and to create value for the communities by uplifting their lives. We are also extremely proud of the social work we do. It is focused on education, road safety, women empowerment, heritage conservation & revival and community development.

We will keep up the momentum to leverage on the opportunities further by responding to the changing external environment as we move towards a planet positive future.

Managing Director

Board of Directors

Corporate Information



- | | | |
|---------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------|
| 1. Mr. H. V. Goenka
Chairman | 5. Mr. Haigreva Khaitan
Independent Director | 9. Ms. Priya Nair
Independent Director |
| 2. Mr. Anant Goenka
Managing Director | 6. Mr. Mahesh S. Gupta
Independent Director | 10. Mr. Ranjit V. Pandit
Independent Director |
| 3. Mr. Arnab Banerjee
Chief Operating Officer | 7. Mr. Paras K. Chowdhary
Non-Independent Director | 11. Mr. Vinay Bansal
Independent Director |
| 4. Mr. Atul C. Choksey
Independent Director | 8. Mr. Pierre E. Cohade
Non-Independent Director | |

Profiles of the Directors can be accessed at <https://www.ceat.com/corporate/leadership-landing.html>

Executive Committee

Mr. Anant Goenka
Managing Director

Mr. Arnab Banerjee
Chief Operating Officer

Mr. Jayasankar Kuruppall
Sr. Vice President- Manufacturing

Mr. Kumar Subbiah
Executive Director - Finance & CFO

Mr. Milind Apte
Sr. Vice President- Human Resources

Mr. Peter Becker
Sr. Vice President- R&D and Technology

Mr. Saurav Mukherjee
Sr. Vice President – Global Sales

Company Secretary and Compliance Officer

Ms. Vallari Gupte

Statutory Auditors
S R B C & CO LLP

Secretarial Auditors
Parikh & Associates

Cost Auditors
D.C. Dave & CO.

Registrar and Transfer Agent
TSR Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083

Debenture Trustee

Vistra ITCL (India) Limited
The IL&FS Financial Center
Plot No. C-22, G Block, 7th Floor
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Bankers

Axis Bank Limited
Bank of Baroda
Bank of India
Citibank N.A.
HDFC Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India
The Hongkong and Shanghai
Banking Corporation Limited
Yes Bank Limited

Audit Committee

Mr. Mahesh S. Gupta - Chairman

Mr. Vinay Bansal - Member

Mr. Paras K. Chowdhary - Member

Finance and Banking Committee

Mr. Anant Goenka - Chairman

Mr. H. V. Goenka - Member

Mr. Arnab Banerjee - Member

Risk Management Committee

Mr. Mahesh S. Gupta - Chairman

Mr. Vinay Bansal - Member

Mr. Paras K. Chowdhary - Member

Sustainability and Corporate Social Responsibility Committee

Mr. Anant Goenka - Chairman

Mr. Vinay Bansal - Member

Mr. Paras K. Chowdhary - Member

Ms. Priya Nair - Member

Nomination and Remuneration Committee

Mr. Mahesh S. Gupta - Chairman

Mr. Vinay Bansal - Member

Mr. Paras K. Chowdhary - Member

Stakeholder Relationship Committee

Mr. Vinay Bansal - Chairman

Mr. Mahesh S. Gupta - Member

Mr. Paras K. Chowdhary - Member

CEAT Limited

CIN: L25100MH1958PLC011041

Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030

Website: www.ceat.com

Email: investors@ceat.com

Plants:

- Subhash Nagar Road, Bhandup (West), Mumbai, Maharashtra - 400 078
- 82, MIDC, Satpur, Nashik, Maharashtra - 422 007
- Village Getmuvala, Taluka Halol, Dist. Panchmahal, Gujarat - 389 350
- Plot No. SZ-39, MIDC, Butibori, Nagpur, Maharashtra - 441 108
- Kannanthangal Village, Maduramangalam Post, Sriperumbudur TK, Kancheepuram Dist., Tamil Nadu - 602 108
- Plot No G-2, Village - Bohonoli, Ambarnath MIDC, Ambarnath (East), Maharashtra - 421 506

Prestigious Moments

Ranked No. 1 amongst Rubber Industry in India on ESG risk framework by ESGRisk.ai

CFBP Fair Business Practice Award under Manufacturing – Large Enterprise at 34th CFBP Jamnalal Bajaj Awards 2021-22

Brand Disruption Awards by Brand Equity Gold for 2-Wheeler Puncture Safe in 2021

Smarties Awards from Mobile Marketing Association India - Silver for 2-Wheeler Monsoon Campaign in 2021

Gold Award under the 'Media plan for Brand Promotion on OTT & Video Streaming platforms' by ET Brand Equity in 2022

Questel India IP Excellence Award, 2021 for valuable contribution as on innovation- Driven Organisation

Smarties Awards from Mobile Marketing Association India - Gold for 2-Wheeler Puncture Safe Campaign in 2021

Digital marketing excellence award for best website by CMO Asia, 2021

Media Strategy Awards by Brand Equity Gold for 2-Wheeler Puncture Safe in 2021

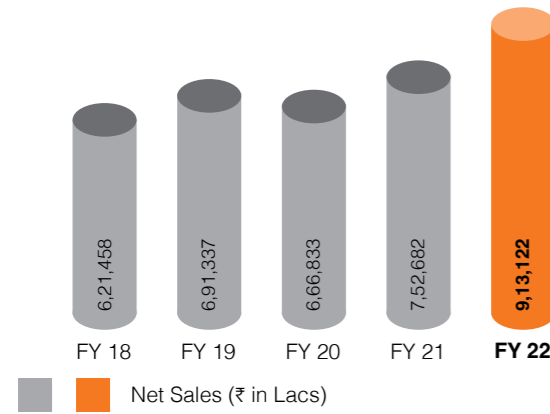
Ranked top 50 amongst India's 100 best companies to work for in 2022 by Great Place To Work® Institute

5 of CEAT teams won the 'Par Excellence' awards - at 2021 International Convention on Quality Control Circles held at Hyderabad.

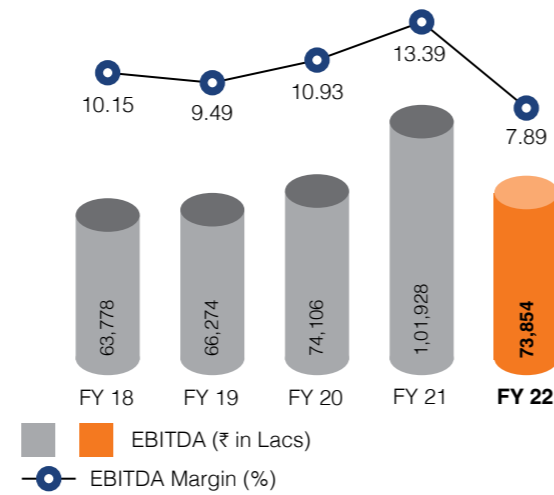
"Best Paper Award" for Digitization of Sales and Channel Experience at 19th Asian Network for Quality Congress 2021 at Singapore

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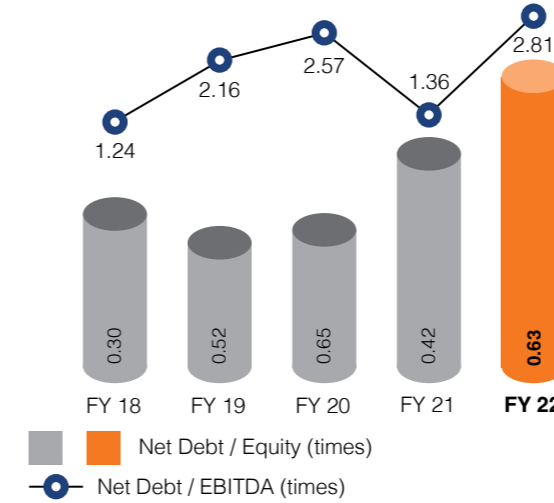
Net Sales



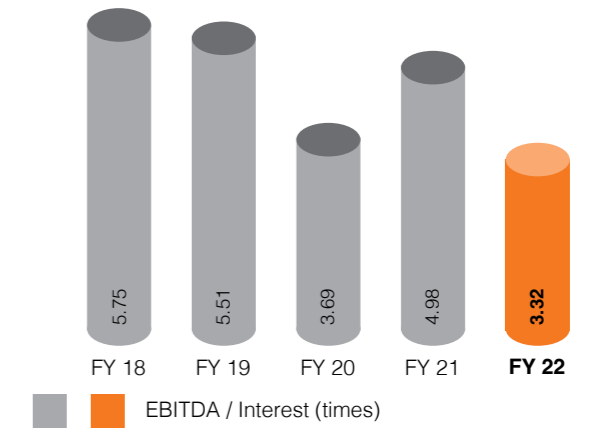
EBITDA¹ and EBITDA Margin



Net Debt / Equity And Net Debt / EBITDA



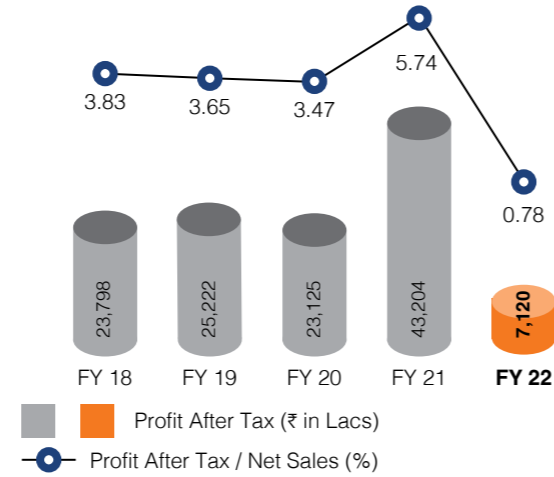
EBITDA / Interest¹



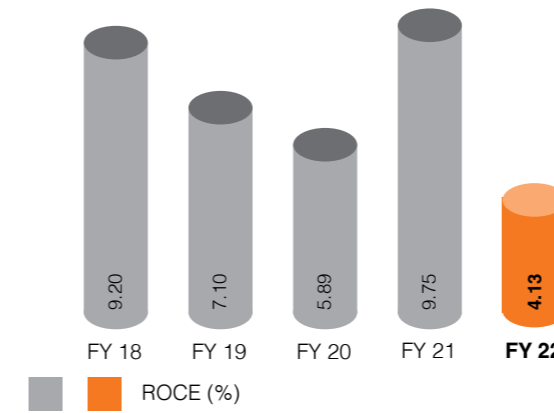
Gross Profit and Gross Margin



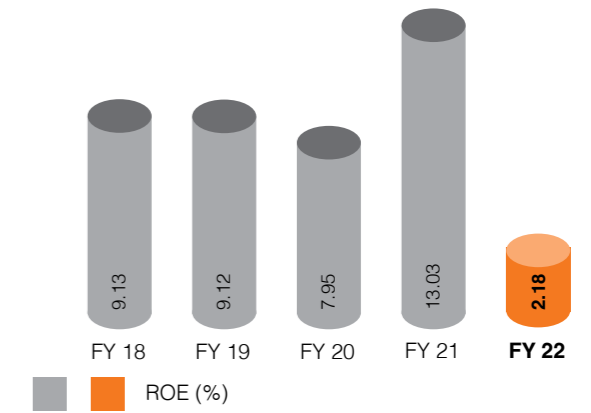
Profit After Tax² and Profit After Tax / Net Sales



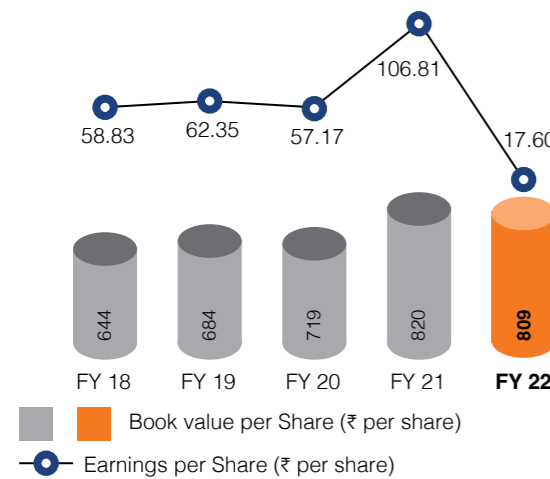
Return on Capital Employed (ROCE)



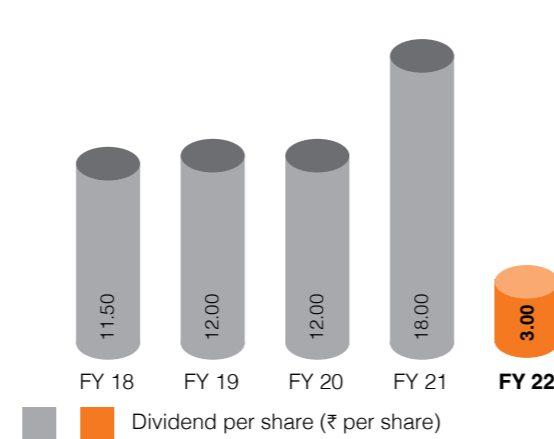
Return on Equity (ROE)



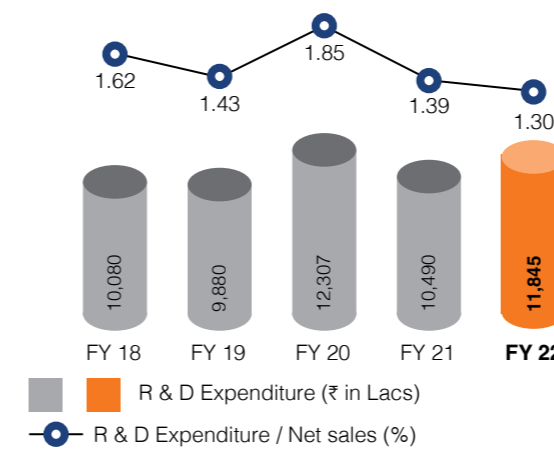
Book value per share and Earnings per share



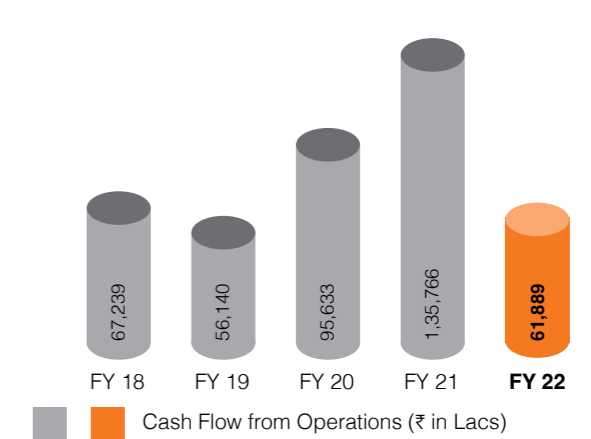
Dividend per share



Research & Development (R&D) Expenditure and R&D expenses / Net Sales



Cash Flow from Operations



¹Earnings before Interest, tax, depreciation and amortisation (EBITDA) excludes Non-Operating income.
²PAT is considered after minority interest

¹Interest amount includes interest capitalised during the year

Important Milestones



Financial Capital

₹9,313 Cr.

Standalone revenue

₹959 Cr.

CAPEX

7.50%

EBITDA margin



Manufactured Capital

41.5 Mn+

Tyres Produced

258

New products launched

1200+

SKUs



Intellectual Capital

124

Patent applications filed cumulative

279

New products developed

1.30%

R&D expenditure as percentage of sales



Human Capital

7,622

Permanent employees

12%

Permanent women employees

7

Transgender employee hired



Natural Capital

1.31 Mn GJ

Renewable energy consumed

2,236 tCO₂e

Emissions avoided through energy saving

70%

Reduction in waste water discharge



Social and Relationship Capital

1.68 Lacs+

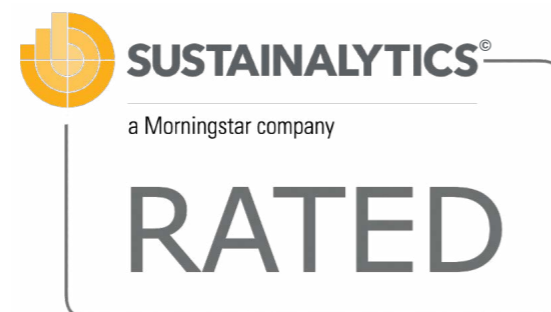
Total beneficiaries impacted

99.47%

Customer queries resolved

75%

Procurement through local suppliers



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About the Report

About the Report

CEAT, a leading tyre manufacture with global presence, publishes yearly reports that detail both financial and non-financial performance. In line with CEAT's belief of transparent stakeholder communication, CEAT is publishing its 63rd report which is its third integrated Annual report for the FY 2021-22. The report is based on the <IR> framework of the International Integrated reporting council's ('IIRC') [which has merged with Sustainability Accounting Standards Board ('SASB') to be called the Value Reporting Foundation] and aligns with Global reporting Initiative ('GRI') standards. CEAT communicates its integrated thinking and diverse strategies for long-term value creation for its stakeholders through six capitals – Financial, Manufactured, Human, Natural, Intellectual, and Social and Relationship. While reporting on these six capitals, CEAT has tried to evaluate its performance across Environment, Social and Governance ('ESG') aspects.

Approach to reporting

This Integrated Annual Report covers qualitative and quantitative disclosures of CEAT's performance across the six capitals in alignment with the <IR> framework. It summarises the Company's business strategy, risk management framework, corporate governance and information as per relevant statutory requirements. Through the business model, the Report showcases how the organization efficiently manages its resource allocation across all six capitals. In the face of a dynamic external environment, it represents the significance placed on long-term value creation by the Company through stakeholder relationships, organisational culture, and risk management. The content of this Report is based on key ESG aspects, identified through stakeholder engagement and materiality assessment exercise. Through this Report, CEAT aims to communicate the approach to value creation and performance for FY 2021-22.

This Report has been prepared in accordance with the GRI Standards: Core option. Further, the Report is also aligned with:

- National Guidelines on Responsible Business Conduct ('NGRBC')
- UN Sustainable Development Goals ('SDGs')
- UN Global Compact ('UNGC') Principles

Report Boundary and scope of reporting

This Report covers the financial and non-financial information of CEAT Limited. The financial and statutory information has been presented as per the requirements of the Companies Act, 2013 and the rules made thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and other applicable laws. The non-financial information includes CEAT's India operations (Halol, Bhandup, Ambarnath, Nashik, Nagpur and Chennai) for the period of April 1, 2021 to March 31, 2022, along with such other associated activities that enable short, medium and long-term value creation.

Responsibility Statement

The Management of CEAT has reviewed and approved the contents of this Report based on robust data management systems and interactions with key internal business functions. Therefore, the Management believes that this Report reasonably represents Company's ESG performance for the reporting period.

However, the Company's operations were impacted due to the outbreak of COVID-19 pandemic globally and subsequent lockdowns. As a result, in case of any partial information being reported or data not being available, the Company will make every effort to update such data or information in subsequent reports. The corrections in the previous years' data have been carried out wherever required.

In this Report, CEAT has disclosed forward-looking information to enable investors to comprehend its prospects and make investment decisions. This Report and other statements - written and oral - that are periodically made, contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. The Company has 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. The Company cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in its 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. CEAT undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Statutory Audit

Financial information of statutory nature contained in this Report has been externally audited as per the regulatory requirements of India by S R B C & CO LLP. The audit report on the financial information are attached to the financial statements of this Report.

Feedback

CEAT values feedback from its stakeholders and strives hard to address their issues. Any such suggestion or concern can be communicated to the Company Secretary, Ms. Vallari Gupte on dedicated email id cs@ceat.com.

Value Creation Model

CEAT has continued to execute its goal of creating value for stakeholders via numerous ESG initiatives as a responsible Company. The efforts are disseminated throughout the Company's operations.

Across the six capitals, a variety of initiatives have been implemented to guarantee that the inputs continue to change into outputs and that value is created via responsible and sustainable business decisions. This is witnessed by the way CEAT handled the COVID-19 and resumed Company operations while following regulatory guidelines. CEAT has always ensured that the interests of numerous stakeholders such as workers, consumers, business partners, investors, suppliers, and communities are protected and benefited.

CEAT's business model is aligned with the framework and strategic perspective of the global economic paradigm, and Sustainable Development Goals ('SDGs'), which is an underlying essential for the contents of this Report.

Recognizing that its operations and procurement contribute to most of its interactions with the natural environment and the communities it serves, CEAT has set a long-term goal of reducing the carbon footprint by 50% by 2030, with the goal of minimizing negative effects on the environment and communities. CEAT has formed its 'ESG Council' led by the Managing Director to drive sustainability across the Company and a new position for Sustainability Head, reporting to Managing Director is also created with keen focus on achieving the ESG vision. The leadership at CEAT thus nurtures a culture that encourages optimisation of operational systems in a manner that is conscious of its impact.

Recently, CEAT received an ESG Risk Rating of 20.7 and was assessed by Sustainalytics to be at minimum risk of

experiencing material financial impacts from ESG factors.



This Integrated Report contains information (the above statement and the badge) developed by www.sustainalytics.com. Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

STRATEGY, RISKS AND OPPORTUNITIES

Strategy Overview

CEAT has risen to become one of India's major tyre producers driven by passion, integrity, and commitment to sustainability. CEAT's primary strengths have always been a strong brand, great product quality and exceptional customer experience through strong value chain associations.

CEAT is a proud recipient of the Deming Prize, which honours the achievements of Dr. W. Edwards Deming. Through innovative products, increased manufacturing capacity, strong social media presence and long-standing relationships with Original Equipment Manufacturers ('OEMs'), distributors and operators, CEAT has been successful in implementing its strategy to gain market share across the globe, which led to a wide range of commercial options that helped the Company flourish. Each plan outlined below provides information on business opportunities and growth.

Business Opportunities

CEAT's strategy is supported by seven major pillars. Through innovative products, long-standing relationships with value chain partners, enhanced manufacturing capacity and a strong retail and virtual presence, CEAT has been successful in implementing its strategy to gain market share. Further economic benefits and Production Linked Incentives (PLI) scheme for Automotive and Automobile industry with an optimistic outlook on Electric vehicle (EV) segment along with market's readiness has catalysed the market growth opportunities.

Tax Strategy

Tax Strategy follows the principle of no interest and penalty. CEAT is assessing the tax strategy for short-term and long-term based on the Company's expansion plan, business operational plan and the regulatory norms changes. In the initial phase of the expansion plan, CEAT assess tax benefits during and

post execution of the project – in terms of indirect tax, direct tax, other state tax etc. The Company's short-term taxation strategy takes care of the quarterly, monthly and annual taxation compliance based on probable budgeted business and assessment of actual based on the budget.

Extensive Distribution

With expansion of its retail footprint by opening more than 660+ CEAT Shoppe locations in both urban and rural areas of India, CEAT is progressing to enhance its existing distribution network. New business models based on digital touchless mode have emerged and adopted in CEAT's distribution channels. Under its omni-channel approach, CEAT has been at the forefront in delivering doorstep tyre fitting, Shoppe on Wheels, and several other models.

Strong Brand

CEAT's strong brand equity has

translated into an overall boost in business. The Company's continued association with Indian Premier League ('IPL') as strategic timeout partners, has leveraged the value of its brand by entering new markets, maintaining its brand visibility in the global market. CEAT has roped Karthi Sivakumar for SecuraDrive campaign in Tamilnadu. CEAT also brought out diversity in its retail shops, which has helped the Company in further enhancing brand value in the minds of its customers.

Global Reach

CEAT has built a powerful distribution network that spans all of Europe's major regions, USA, South America and Africa. With its presence in 110+ countries. CEAT is well positioned to grow market share with its smart product development. With the sizes in the current radial range and sizes under development, the Company now has 1200+ SKUs in Off-Highway tyres to cater the needs of Global market.

CEAT has entered in several new markets such as Germany, France, Portugal, Slovenia, Israel, Malawi, Bahrain, and EL Salvador. The Company has marked 15% of its overseas revenue from Africa & Americas.

World-Class R&D

CEAT has adapted and implemented a five-year technology roadmap which drives strategic forecasting of the emerging technological changes within the mobility sector. This helps CEAT to develop state-of-the-art products and services for various applications of the automotive industry. Every development initiative at R&D originates from customer requirements which are aligned with the Company's vision and strategy.

Strengthening OEM Relationships through Differentiated Products

Business disruption is occurring at substantial rate due to technological advancement, innovative products, and external environment due to the change in the regulatory landscape and economic events. But CEAT strives to remain nimble while giving innovative solutions to its customers by readily adjusting and promoting innovative products based on a thorough grasp of the customers' demands.

The Company has able to enhance its partnership with OEMs, by supplying

distinct goods to meet current and future needs of customers.

Sustainability

CEAT believes that a commitment to sustainability creates long-term benefit for The Company and its stakeholders. CEAT has set a goal of reducing carbon footprint by 50% by 2030, and has placed a strong emphasis on product stewardship, energy efficiency, renewable energy use, operational efficiency, circular economy, and water stewardship.

CEAT has formed platform "Green Stripes" for its employees which acts as a seeding ground for the ideas



to promote sustainability within the Company and its people.

CEAT is one of the pioneers in the tyre industry with 20% women on shopfloor to accommodate core manufacturing functions. CEAT has successfully created an opportunity for livelihood generation for seven transgender employees and 29 people with disabilities.

Risk Management

CEAT's nature and scope of the business requires a comprehensive risk mechanism structure to deal with the effects of the external and internal environment. For effective risk management, CEAT is following the recommendations of Business Continuity Plan ('BCP').

BCP provides recommendations for people and operations for better preparedness, for business interruptions due to the variable commodity prices, raw material price

fluctuations, increased consumer demand, cybersecurity concerns, supply chain disruption and Health and Safety etc. The Company has dedicated risk management methodology to systematically handle the risks.

The identification of hazards and an evaluation of their effect are the first steps in the risk management process at CEAT. The evaluation is based on historical data and estimates for the future. Key hazards, both present and rising, include global risk assessment and strategy standards. Additionally, methods to manage these risks are developed and implemented as needed. Once recognised, risks are monitored on a regular basis.

CEAT has a Risk Management Committee, which serves as a guiding force for the system's internal controls. The Committee's primary function is to assess the Company's risks, which include financial, operational, cyber-security, strategic, and compliance-related concerns.

The Company has discussed in detail on the Risk and Mitigation in the subsequent sections of Management Discussion and Analysis.

External Environment

Businesses have faced great turbulence in the global economy, supply chain in the last two years due to the COVID-19 pandemic followed by commodity price inflation and Russia-Ukraine conflict. Such negative disruptions have affected the business to a great extent.

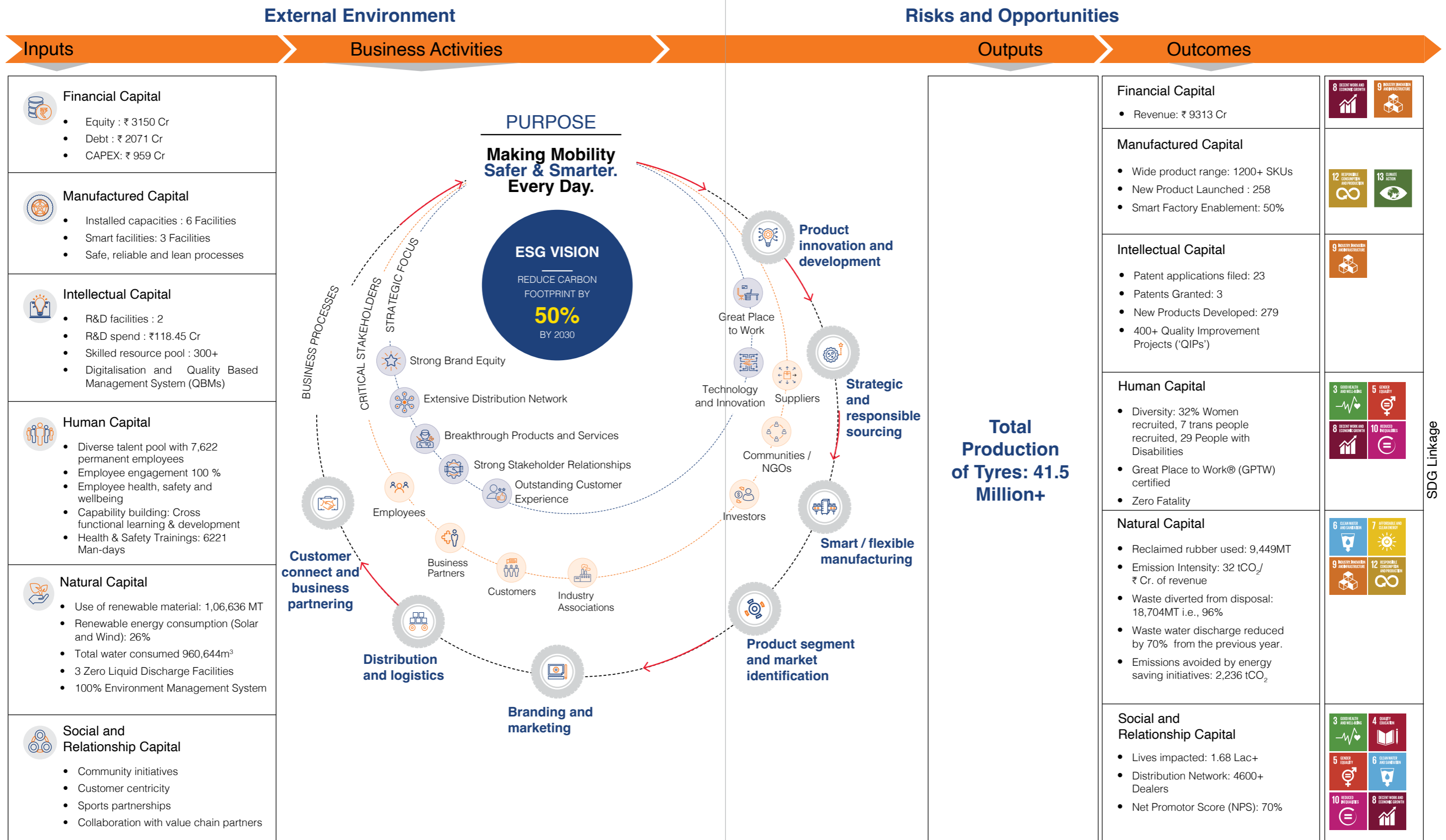
With the incorporation of government schemes like financial incentives upto 18% for the automobile sector is going to be turning point in technology advancement, research & development, operations, and skill development.

Amidst all these challenges and opportunities, CEAT's purpose and commitments ensured to deal with such disruptions in an efficient manner. CEAT is further stepping towards the global movement of Electric Mobility, not just as part of its long-term sustainability vision but also to address the changing customer preferences of sustainable battery-operated vehicles as opposed to conventional fuel vehicles.

Value Creation Model

The Business model forms an essential aspect of the integrated reporting which reflects the Company's business activities directed towards its purpose, emphasising the strategic focus on its operations and the stakeholders who are impacted. It is aligned with the strategy, risk and opportunities that have an imprint on the Company's performance. Other factors

that impact the functioning of the business model are the Company's key stakeholders and the external environment. The business model clearly outlines how CEAT's strategic objectives are aligned with the six capitals of the IR framework. These capitals along with the inputs, outputs and projected outcomes associated with them are as presented below.



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SDG Linkage

CEAT believes in an inclusive approach while collaborating with stakeholders in progressing towards a resilient and sustainable future. The feedback shared by stakeholders is considered as critical strategic input for refining the business approach, resulting in a long-term value creation.

CEAT's stakeholders include individuals or groups that influence or are impacted by its business. CEAT has developed a robust mechanism to engage with stakeholders to accommodate the concerns of stakeholders and shareholders, customers, employees, business partners, industry associations, suppliers, and communities. The following table indicates a summary of the mode of engagement and key concerns raised by the respective group of stakeholders.

Category of Shareholder Group	Significance	Modes of Engagement	Concerns
Investors & Shareholders 	Providers of financial capital	Annual General Meetings Quarterly briefings	High Return on Investments and profitable growth
Customers (Tyre Dealerships) 	<ul style="list-style-type: none"> Partners in solution development Supporting CEAT in reaching end-users Customers 	<ul style="list-style-type: none"> Net Promoter Score ('NPS') survey Online feedback surveys Customer engagement surveys 	<ul style="list-style-type: none"> Product quality Product maintenance Product price Loyalty programmes
Employees 	<ul style="list-style-type: none"> Drivers of our business solutions 	<ul style="list-style-type: none"> Employee Engagement Survey Emails / newsletters Townhall 	<ul style="list-style-type: none"> Career growth Employee benefits Safe working environment Corporate collaboration
Collaborators / Business Partners 	<ul style="list-style-type: none"> Enable strategic partnerships 	<ul style="list-style-type: none"> In-person meetings Partnership portals 	<ul style="list-style-type: none"> Long-term partnerships Fair revenue distribution
Industry Associations 	<ul style="list-style-type: none"> Provide insight into industry trends 	<ul style="list-style-type: none"> Industry conferences Media releases Memberships in associations Regional industry events 	<ul style="list-style-type: none"> Compliance with regulations Business collaborations
Suppliers 	<ul style="list-style-type: none"> Provide materials / services for business operations 	<ul style="list-style-type: none"> Supplier management portals Supplier audits 	<ul style="list-style-type: none"> Reliable payment schedules Robust procurement policies
Communities / NGOs 	<ul style="list-style-type: none"> Contribution to society creation 	<ul style="list-style-type: none"> CSR initiatives Community Grievance mechanism Public hearings 	<ul style="list-style-type: none"> Contribution to society

Materiality Assessment





In FY 2019-20, CEAT undertook a rigorous stakeholder engagement and materiality assessment, as required by the framework, to discover the themes that are important to the Company and stakeholders. The CEAT's Integrated Report for FY 2019-20 contains detailed information on the exercise and assessment outcomes. During FY 2021-22, CEAT reviewed the material topics for application and relevance. Four additional material topics were examined in FY 2020-21 as high priority for business, in addition to the prioritised material topics. Every year CEAT reviews these material topics in line with their importance to the stakeholders and the business. These themes are presented in the materiality matrix. The figure shows the mapping of the prioritised material issue to its corresponding Key Performance Indicator ('KPI').





CEAT's materiality matrix



Material Topics and Key Performance Indicators ('KPIs')

Environment			
Material Topic			
Energy and Emissions Management 	Materials Management 	Waste Management 	Water Management
GRI Topic			
Energy, Emissions	Materials	Waste	Water
CEAT's Response			
<ul style="list-style-type: none"> Effective management of energy consumption and energy costs Decarbonising energy usage 	<ul style="list-style-type: none"> Responsible procurement of agricultural raw materials by 2030 	<ul style="list-style-type: none"> Integration of 4R principle Management of end-of-life tyres 	<ul style="list-style-type: none"> Commitment for 50% reduction in water consumption by 2030 ZLD plants
Key Performance Indicators			
<ul style="list-style-type: none"> Energy consumption within the organization Reduction of energy consumption Scope 1/ 2/ 3 GHG emissions Reduction of GHG emissions 	<ul style="list-style-type: none"> Material Consumption 	<ul style="list-style-type: none"> Waste generated Waste diverted from disposal Waste directed to disposal 	<ul style="list-style-type: none"> Water Consumption
Reference Section in IR			
Natural Capital	Natural Capital	Natural Capital	Natural Capital

Social			
Material Topic			
Customer Satisfaction 	Employee Wellbeing 	Occupational Health and Safety 	Diversity & Inclusion 
GRI Topic			
Customer Health & Safety	Employment	Occupational Health and Safety	Diversity & Equal Opportunity
CEAT's Response			
<ul style="list-style-type: none"> Produce a wide product range while maintaining quality Adapting to the customers' needs in the current times and responding quickly on claim settlement 	<ul style="list-style-type: none"> Employee engagement and wellness initiatives 	<ul style="list-style-type: none"> Ensure Safety at the workplace 	<ul style="list-style-type: none"> Focused efforts towards new hirings with diversity and reducing biased opinions
Key Performance Indicators			
<ul style="list-style-type: none"> Assessment of the health and safety impacts of products Incidents of non-compliance concerning the health and safety impacts of products 	<ul style="list-style-type: none"> New employee hires and employee turnover Parental leave 	<ul style="list-style-type: none"> Work-related injuries 	<ul style="list-style-type: none"> Diversity of governance bodies and employees
Reference Section in IR			
Social & Relationship Capital	Human Capital	Human Capital	Human Capital

Governance			
Material Topic			
Economic Performance 	Digitization 	Product Innovation/Smart Mobility 	Corporate Governance/Ethics 
GRI Topic			
Economic Performance	Non-GRI Topic	Non-GRI Topic	Anti-Corruption
CEAT's Response			
<ul style="list-style-type: none"> Effective Management of Costs 	<ul style="list-style-type: none"> Invest in high quality digital technology 	<ul style="list-style-type: none"> Enhance product portfolio Robust research & development on new technologies 	<ul style="list-style-type: none"> Conducting Business Ethically
Key Performance Indicators			
<ul style="list-style-type: none"> Revenue Profit Direct economic value generated and distributed 	<ul style="list-style-type: none"> Total monetary value of the Company's assets 	<ul style="list-style-type: none"> No. of patents No. of new products launched 	<ul style="list-style-type: none"> Confirmed incidents of corruption and actions taken
Reference Section in IR			
Financial Capital	Manufactured/Intellectual Capital	Intellectual Capital	Business Responsibility Report

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Financial Capital



Interlinkages with other capitals

- Manufactured
- Intellectual
- Human
- Natural
- Social and Reallationship

Focus Areas

- Improving Operating Efficiencies
- Stakeholder Value Creation
- Economic Performance

₹9,313 Cr. Standalone Revenue	₹701 Cr. EBITDA	₹54 Cr. PAT	7.5% EBITDA Margin
₹959 Cr. CAPEX	₹3,150 Cr. Equity	₹2,071 Cr. Debt	₹632 Cr. Cash Flow from Operations

Contribution to Sustainable Development Goals ('SDGs')



CEAT continues to focus its efforts on developing an effective capital allocation strategy and maintaining an optimal capital structure. The Company strives to invest in businesses that generate healthy returns and create long-term economic value, in accordance with various stakeholder expectations, including a proportionate allocation of funds to other capitals to ensure effective and efficient use of both financial and non-financial resources.

Economic Value creation (In ₹ Crores)

Particulars	FY 2021-22	FY 2020-21
Direct economic Value generated (a)	9,341	7,605
Revenues	9,313	7,573
Other Income	28	32
Economic Value distributed (b)	8,883	6,843
Operating costs	7,924	5,932
Employee benefits	691	680
Payment to providers of capital	277	177
Payment to Government (incl. taxes)	(17)	46
Community Investments	8	8
Economic Value retained (a-b)	458	762

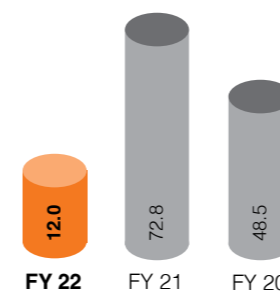
*Economic value retained = Direct economic value generated - Economic value distributed

CEAT reported a positive economic value for FY 2021-22. The Company's revenues increased during the year however profitability declined. Rising raw material costs have severely impacted tyre industry and CEAT's profitability in FY 2021-22. Other external factors like COVID-19 at the start of the financial year and the recent Russia-Ukraine crisis added trouble to the Company's bottom line numbers. However, CEAT has strived to include various cost optimisation and automation initiatives.

Dividend Distribution:

CEAT's purpose is to create long-term value for all its stakeholders while ensuring a significant return on investment for shareholders in the form of dividend payments. The Company has a defined Dividend Distribution Policy, according to which a dividend of ₹12 Cr has been declared for FY 2021-22.

Dividend Paid (In ₹ Crores)



Revenue in FY 2021-22

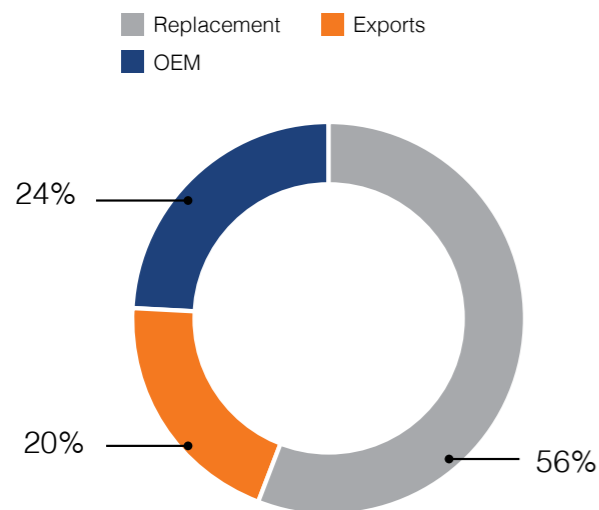
CEAT achieved its highest ever revenue in FY 2021-22 largely driven by stable demand coupled with increased sales realisation. Its revenue has increased from ₹7,573 crores to ₹9,313 crores showing growth of 23%.

Revenue by Market: CEAT is a leading player in the tyres and automobile market. The Top-Line showed strong

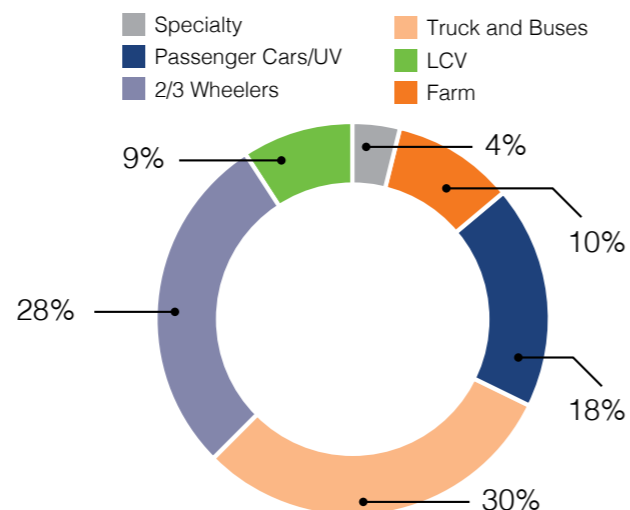
growth due to improved demand and better utilization of plant assets in the local and overseas market. CEAT's revenue by exports and OEM have clearly increased in this reporting period, however, the Company has continued to generate a major chunk of revenue through the Replacement market.

Revenue by Product: CEAT's revenue by product segments has remained stable with the dominant revenue generating category being the Truck and Bus Radials (TBR). Passenger Cars segment revenue has been a growth area for CEAT this year due to the exports.

FY 22 Revenue Breakup By Market



FY 22 Revenue Breakup By Product



Cost Optimisation and Profit Margins:

Cost Optimisation has become more relevant in the last couple of years considering various challenges faced by the Industry. CEAT has considered Cost Optimisation as one of the tools to ensure its cash flow and working capital management. In this challenging year, the Company has maintained its market share and has reported standalone EBITDA margin of 7.5%, as compared to 12.9% in FY 2021-22.

Due to the second wave of COVID-19, in Q1 and higher raw material prices impacted the overall margins for the year. While the Company increased the prices of tyres at regular interval, it also, undertook various cost saving initiatives in the area of supply chain, procurement, energy discretionary costs and manpower. The Company also focused on improving asset productivity, leveraging digital

technology. In order to successfully monitor and implement various initiatives a strong business automation process was required and the Company leveraged RPA (Robotic Process Automation) to effectively manage processes.



Mr. Kumar Subbiah
Executive Director - Finance
and Chief Financial Officer

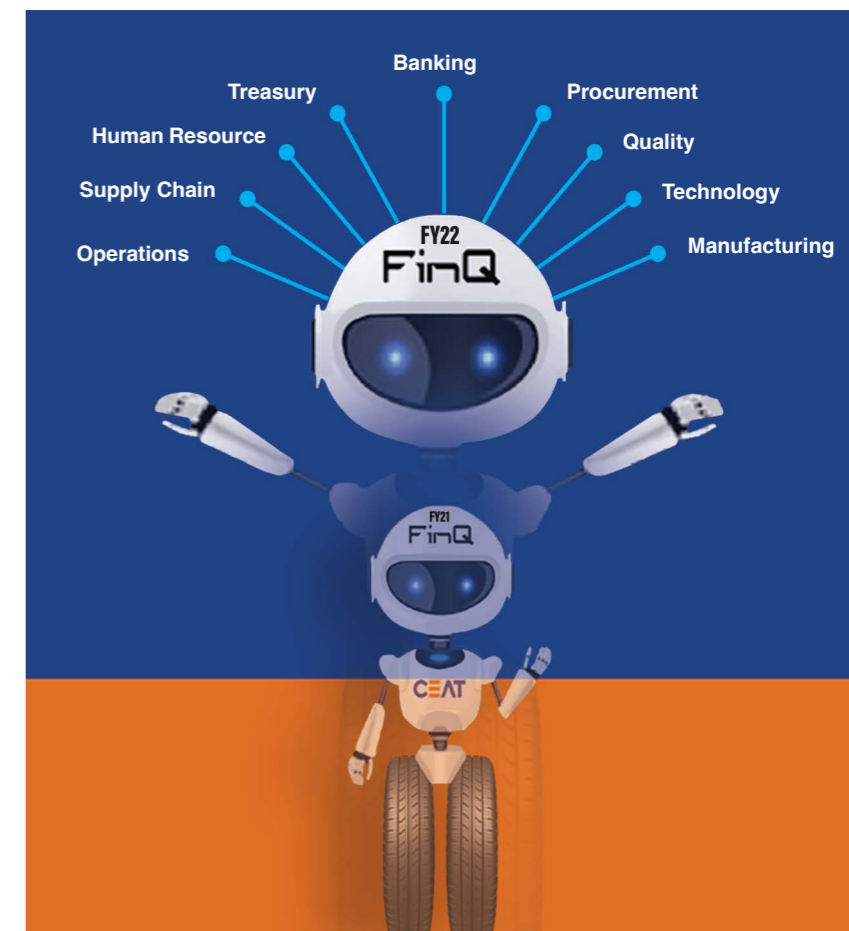
“The year went by with a mixed set of financial performance for the Company with highest ever top line in FY 22 showing a growth of 23% but the margin remaining under pressure. The margin was impacted mainly due to the raw material inflation, geo-political and other external factors. However, our strong focus on cashflows and tight working capital management during the year helped us to bring down our gross debt, leading to improvement in our leverage ratios and stronger balance sheet.”

Robotic Process Automation (RPA) in CEAT

As a part of CEAT's automation vision, CEAT is actively incorporating the Robotic Process Automation (RPA) to transform the overall work culture across various business functions to enhance the customer and employee experience with real time business control and management.

In FY2021-22, CEAT has automated 20+ processes across various functions such as supply chain, human resources, finance, and quality. Through RPA CEAT has saved 32,000+ person hours by incorporating the process-oriented algorithms to ensure efficient and effective business operations.

Through RPA, CEAT has enhanced its business projections, demand planning, resource allocation and people management by automizing the large data management with respect to the tracking, monitoring, and control. The key benefit of RPA is observed during the large data mining exercise, such as outsourcing data management through human interventions to bots which has enabled to extract the real-time data on fingertip.



Supply Chain Lead Time:

With the lean management philosophy and through RPA, CEAT has addressed the key bottlenecks on lead time in the supply chain management to enhance and accommodate real-time demand forecasting and inventory management.

CEAT was able to reduce the lead time for its Finished Goods Supply ('FGS') in the value chain from plant dispatch to Clearing and Forwarding Agents ('CFAs') and Distribution Centers ('DC'). With manual intervention, tracking of FGS across value chain

was cumbersome and requires more time to consolidate the status Stock Keeping Units (SKUs) across the forward value chain. However, through RPA CEAT has managed to reduce the lead time with error free compilation of the present inventory / FGS tracking.

CEAT is now able to identify specific Stock Keeping Units (SKU) across various CFAs for scope in inventory reduction or inventory movement to other location based on demand. This has reduced CEAT's Human

capital efforts in terms of time and cost by real time data tracking and inventory management. RPA has enabled CEAT's focus on reducing the aged unproductive inventory which is impacting the bottom line. CEAT has achieved efficiency in lead time calculations which previously used to take approximately 6-8 days to calculate and now can be done in approximately 3-4 days with the help of RPA.

50-60%
Reduction in the Lead Time

Key interventions in RPA for FY 2021-22 are:

Human Resources (HR Payroll, HR Reporting, HR Employee Life Cycle Management)

Supply Chain Management (leadtime)

Material and Inventory Reconciliation

HR Processes Automation and Employee Life Cycle Management:

CEAT has incorporated RPA in Human Resources to ensure hassle-free employee life cycle management processes, which included, on-boarding, employee data management, payroll, full and final settlement during the employee separation. CEAT HR department is managing the data of around 6,000+ employees which is quite cumbersome while managing it manually.

Through RPA CEAT has transformed 90% of the manual efforts to automation in FY 2021-22. Initially through manual efforts HR payroll process was taking 36 hours, however with RPA time is reduced to

12 hours i.e., 63% time saving.

CEAT has achieved 96% improvement in Service Level Agreements (SLA) which slashed the manual time taken of 20 hours to only 2 hours. Time taken for CEAT's overall HR Life Cycle has reduced from 30 hours to 8 hours.

Inventory Reconciliation: CEAT has automated the process of Inventory Reconciliation in FY 2021-22. Inventory Reconciliation is the process of checking the stock records with physical stocks to account for any discrepancies. This has led to better inventory management and insightful data for further decision

making.

Material Reconciliation: A manual process in FY 2020-21 material reconciliation, is automated in FY 2021-22. Material Reconciliation basically confirms that the components derived at the end of a manufacturing process match with the input amount of material entered and used and if there are discrepancies or not. Such efficiencies have led to the better handling of materials and ensures process optimisation.

90%
of the HR Processes are Automised

Debt Management and Strong Balance Sheet

The borrowing level of the Company has witnessed a rise in FY 2021-22 as compared to FY 2020-21. The Company has reported healthy. Debt: Equity Ratio of 0.6x and Debt: EBITDA of 2.9x in FY 2021-22 on consolidated basis.

Despite unanticipated challenges, CEAT has managed to stay within the financial covenants by effectively leveraging all the components of working capital to support the cash flows to ensure the overall debt

remained within internal thresholds leading to strong balance sheet..

Capital Expenditure

The Company incurred approximately ₹ 959 Cr. in CAPEX for FY 2021- 22. CEAT's CAPEX was incurred for capacity maintenance, growth related, capacity expansion, routine maintenance and wind projects. This CAPEX was incurred

from internal accruals as well as debt financing.

Going forward in FY 2022-23, CEAT has set aside approximately ₹ 900 Cr. for CAPEX, of which approximately

₹ 100-150 Cr. will be for routine CAPEX, and the balance will be for growth related, New Markets and New Product Developments and for ESG related Projects.



CEAT **RPG**

SWITCH TO CEAT SecuraDrive

For superior control and braking

Specially designed for your Premium Cars and Compact SUVs.

Manufactured Capital



Interlinkages with other capitals

- Financial
- Intellectual
- Human
- Natural

Focus Areas

- Customer Centricity
- Digitisation of Operations
- Lean, Flexible and Sustainable Operations
- Process Excellence

41.5 Mn+

Tyres Produced

1,200+

SKUs

Lean, Flexible and Sustainable Operations

50%

Plants with Smart Factory Enablement

258

New Products Launched

Contribution to Sustainable Development Goals ('SDGs')



CEAT is moving forward in its leap of digital initiatives and smart factory enablement, to achieve higher production for the evolving mobility segment. With the support from Quality Business Management (QBM) practices, it is able to standardise and streamline its Daily Work Management, leading to lower loss of time or material and higher productivity. With revolutionary technical advancements CEAT is also swiftly pacing towards the Industry 4.0 transformation journey, envisaging improved energy efficiency and reduction in process scrap, along with process optimisation efforts.

CEAT's Manufacturing Facilities

CEAT has six state-of-the-art manufacturing plants in Chennai, Halol, Nagpur, Ambarnath, Bhandup and Nashik. In FY 2021-22, despite the challenges such as semiconductor shortage, crude and raw material price inflation and fluctuating demand from the market, CEAT has utilised its production capacities up to 80% across all the units. Since its inception, the Chennai plant has ramped up its production level to about 60%. As a result, the passenger car tyre production has surged by 25% from FY 2019-20. In FY 2021-22, Bhandup successfully completed Farm Tyre expansion project. Halol also has remarkable achievement in the Truck and Bus Radial segment where the production capacity per day has increased to 4,200 Tyres/day. In FY 2021-22 CEAT has produced more than 41.5 million high performance tyres catering to various segments such as 2 and 3 wheelers, passenger utility vehicles, commercial vehicles and off-highway vehicles. FY 2021-22 was a remarkable year for CEAT

with the release of 279 New Product Developments ('NPDs') and 48 New Technology Developments. CEAT enhanced its capacity through long term demand and supply planning, and all its plants are now operating at an average capacity utilization of 80%, which is an incredible achievement. The Company has grown more than 20% in both the passenger car and TBR segment. The Company's focus in this

financial year from the manufacturing front is on process scrap optimisation and energy conservation. CEAT's facilities in Bhandup, Nashik, Halol and Nagpur have Green building accreditation from Indian Green Building Council (IGBC) and these facilities has achieved major strides in increasing energy and operational efficiency.



CEAT factory at Nagpur, Maharashtra

Initiatives

01

Introduction of **Bias Belted Tyre** technology for 2 wheeler

02

Introduction of **Colour Tread Wear Indicator** ('TWI')

03

Ramp up of **puncture safe tyres** in two wheeler

04

Increased usage of **renewable energy**

05

20% Improvement in water consumption

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Towards Industry 4.0

With every new day, the world is acquiring the new definition of growth and CEAT is well versed with the pace of shift in the global business paradigm and customer expectations. Hence, CEAT is gradually integrating its operational technology with information technology to enhance productivity, ensure net sustainability with agile people processes and speedy customisation.

CEAT is incorporating Industry 4.0 across its Halol, Nagpur and Chennai facilities to demonstrate possible measurable improvements in the operations with objective of optimizing productivity, real time process quality monitoring with traceability, equipment uptime and resource efficiency by eliminating the material variance. CEAT is primarily focusing on enhancing the operational

equipment efficiency, scrap reduction and real-time logistics planning.

CEAT is embedding Data and Analytics (DnA) in the Company's ecosystem by enhancing its capabilities by establishing the center for excellence and digital labs with promoting use of Internet of Things (IoT) platform for digital manufacturing, along with formation of cross functional agile team of experts with business translators, data engineers, data scientists and senior management. During the year, three bootcamps were organised for the cross functional agile team to cater the implementation of Industry 4.0 in CEAT.

The Company has already completed its zero-base working with outbound logistics resulting in significant cost savings.

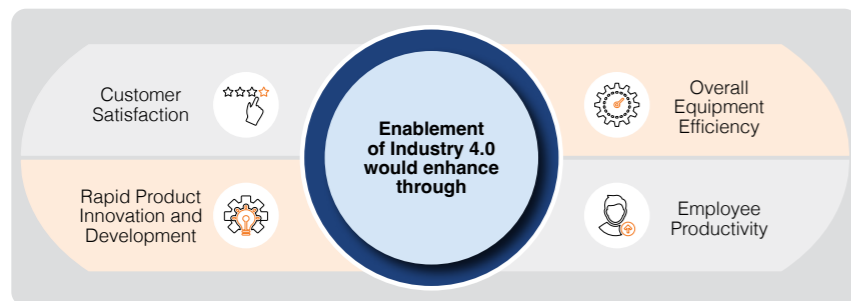
Digital and Automation competencies

CEAT's digital and automation competencies are crucial in driving its capabilities to promote change and future productivity as a part of the transformation towards the 'Smart Factory' in 4.0. CEAT has been focusing on improving technical competency through its technical academy by providing technical training in key areas and has rolled out digital and automation training in various phases throughout the factories. Variety of

training are provided across the plants or functions depending on top requirements, comprising topics such as condition-based maintenance, tire basics, hydraulics, process training, and so on.

To support its commercial operations, CEAT has a strong technical infrastructure and back-end systems tied to data security with a smart, efficient data collection and

management system. Throughout the year, CEAT has undertaken well engineered solutions to guarantee that all its functions; from extensive data units to single machines to well-synched production lines to its employee communication, have access to the system for remote working along with necessary cybersecurity protections in place.



OEM Audits

CEAT values its association with Original Equipment Manufacturers (OEMs) and OEM audits are one of the opportunities to engage with them. These audits enables the Company to incorporate the best-in-class practices to cater the product and service demand with long term business perspective. The Company has consistently outperformed the expectations of its OEM partners and has established enduring partnerships with them by taking progressive strides towards innovation and design thinking. It is evident from the fact that its Chennai plant successfully completed 11 OEM audits and was awarded with the OEM approvals from Renault Nissan, PSA, Royal Enfield, Smithers (Omni). CEAT is the first tyre manufacturer in India to get approval from Renault Nissan in its

first year of operation. A total of 11 OEM audits have been undertaken across all CEAT facilities in FY 2021-22 and the Company received 52

Original Equipment ('OE') approvals in FY 2021-22. CEAT's Halol plant has achieved "B" rating from Volkswagen.



Manufacturing Plant at Chennai, Tamil Nadu

Technology Initiatives

CEAT aspires to be a technological leader in tyre manufacturing industry by focusing on continuous improvement and technological innovation. CEAT is enhancing the consistency of process via new tyre manufacturing technologies like single stage tyre building process for passenger car radial tyres, tandem mixer for compound mixing etc.

CEAT has also launched a few new technologies at manufacturing plants such as "Bias Belted Tyre technology" and "Tandem Mixer" in Chennai and "Intermix" at Halol In house bladder devulcanization technology & spring vent technology for 2W tyres. CEAT has surpassed its own target to launch 45 new technologies by launching 48 technologies which will enable the

Company to automate its processes and initiatives. With each of these kind initiatives manufacturing lead time reduced from 3.05 days to 2.47 days in PCR and from 3.49 days to 2.82 days in TBR segment at Halol facility which is equivalent to 18% reduction from previous year. Similarly, Nagpur has reduced manufacturing lead time to 2.07 days.



CEAT factory at Halol, Gujarat

Smart Factory Enablement and Production Optimisation

CEAT has progressed in its transformational journey of adopting the smart factory framework which has changed the traditional manufacturing processes into an intelligent, transparent, and scalable interconnected system.

With Manufacturing Execution System ('MES') and product life cycle management modules CEAT has conducted regular trainings for the associates and employees on tyre building through virtual reality

and real time simulation programs. 100% workmen have participated in SPARSH circle projects.



Manufacturing Plant at Chennai, Tamil Nadu

Intellectual Capital



Interlinkages with other capitals

- Financial
- Manufactured
- Intellectual
- Human

Focus Areas

- Creating Sustainable Products
- Product Innovation / Smart Mobility
- Business Excellence through QBM
- Digitisation and Further Technology Advancement

₹118.45 cr. R&D Spent	1.3% R&D Expenditure as % of sales	13.3% Revenue generated from new products	124 (cumulative) Patents application filed as on March 31, 2022
279 New Products Developed	69 New Design Registration	3 Patents Granted	258 New Products Launched

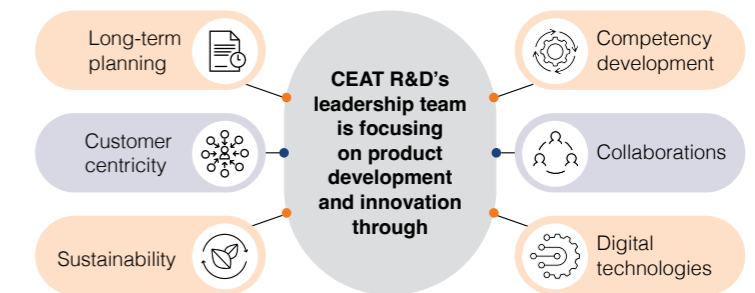
Contribution to Sustainable Development Goals ('SDGs')



Continuous innovation and improvement in processes for safe and smart mobility is embedded in the core values of CEAT. Introducing various such patented products and technologies, CEAT expands and grows its product portfolio for Indian as well as international terrains. Being a major area of innovation and creativity, CEAT engages with its employees, management, and various stakeholders to develop and nurture quality and innovation for products and processes across the organisation, building the culture of Quality Business Management (QBM).

Research and Development

CEAT's Research and Development plays a vital role in transforming the future of mobility. With a dynamic pool of experts and dedicated researchers, CEAT is consistently focusing on identifying potential opportunities for growth and safe mobility. This is enabled through a Research and development facility in Halol, India and CEAT European Technical Centre ('CETC') in Frankfurt, Germany.



R&D at CEAT has adopted and implemented a five-year technology roadmap, which drives a strategic forecasting of the emerging technological changes within the mobility sector. This helps CEAT to develop state-of-the-art products and services for various applications of the automotive industry. Every development initiative at R&D originates from customer requirements which are aligned with the Company's vision and strategy. In FY 2021-22, sustainability was made an integral part of the technology roadmap.

Company's philosophy and goal is to foster an environment of constant innovation and agile organizational practice across various geographies. The Company has further augmented

its effort in innovation, digitalization and sustainability. During the year, the Company came out with radical concepts in designing and manufacturing of tyres, enabled with digital technology, extended mobility,

longer life, efficient and environment friendly features, which are also key drivers for sustainable development and also helps to meet the Company's purpose of "Making Mobility Safer & Smarter. Every Day."

Sustainability in CEAT's R&D

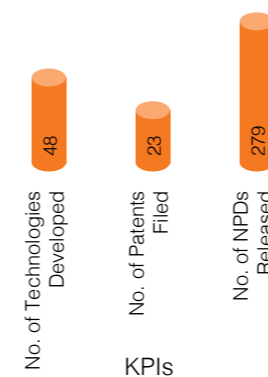
- Green Material Development**
 CEAT's Research and Development is focusing on material technology development with specific emphasis on green material development which includes both fossil free and renewable materials. Fossil free development focuses on nonpetroleum based raw materials and renewable materials focus on advanced recycling technologies for high quality reclaimed and recovered material.
- Low Rolling Resistance** in tyre is for better fuel efficiency which subsequently reduces carbon footprint during life of tyre.

Low Weight tyre for reducing raw material uses from manufacturing activities and subsequent reduction in emissions intensity during life cycle of the tyre, without compromising on other performance parameters.

Intelligent Tyres, CEAT has developed Intelligent Tyres with embedded sensors to monitor the real time inflation pressure, load, speed, distance run, fuel efficiency, status of wheel alignment, detection of tyre health, tyre failure etc. In FY 2021-22, CEAT continued to develop the Intelligent Tyres by fine tuning and strengthening of algorithms which helps to predict the state of tyres throughout its use, to contribute to optimised use of the vehicle with best fuel efficiency thereby reducing the environmental impacts and improve sustainability. CEAT is now entering into production phase of the Intelligent Tyres for Commercial Radial Tubeless category.

- High Life** tyre to ensure long life endurance with safety of tyre. High life tyre is designed to reduce the negative impact on value chain with emissions reduction from the sourcing and manufacturing activities. This will also reduce tyre wear particles released to the environment.

R&D Key Milestones for FY 2021-22



- Puncture Safe Tyres** were introduced in the market with an aim to ensure consumer's convenience and safety. Till date, the Company has launched the said tyres in 15 variants of motorcycle tyres sizes and a total 2.3 lakhs tyres have been sold.
- Noise Reduction Technology** CEAT along with development partners has developed CALM (Cavity Low-noise Mode) technology comprising of patented material, which keeps the in-cabin noise levels lower than conventional tyres.
- Average Rolling Resistance Reduction** CEAT is consistently working on reducing the rolling resistance of Tyres. Low rolling resistance of

Tyres improves fuel efficiency. The Company is working on the development of an exclusive product for Electric vehicles segment.

29% of the new radial products launched in FY 2021-22 are with an average 17% rolling resistance improvement from earlier products and other new products are launched with green labels.

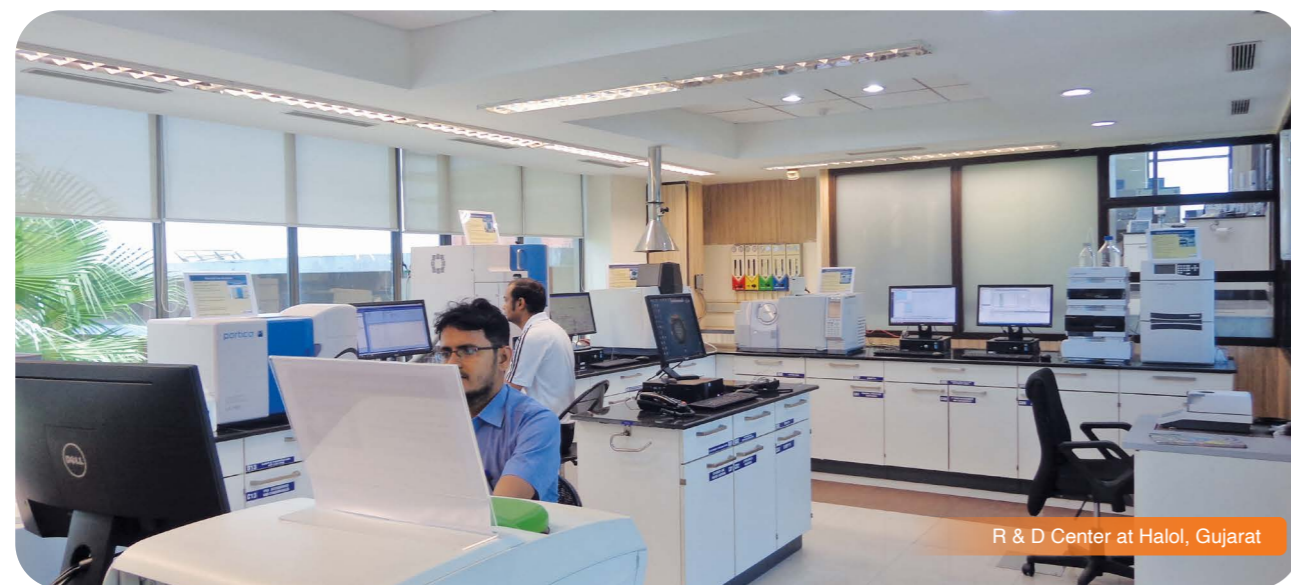
Color Tread Wear Tyre Development: CEAT's focus on customer centricity is the key driving force in the development of innovative solutions. With systematic collection of inputs from the end-users, it was identified that customers tend to overuse the Tyres till reinforcement in the tyre becomes visible, however it is unsafe condition of the tyres. The current tread wear indicators (TWI) aren't visually effective to indicate the end of Tyre life. CEAT has launched an innovative product (patented) to enhance consumer safety as it gives an indication to the consumer about tyre health and indicator to change the tyre. The innovation makes it obvious to the customer that the tyre has reached the end of its life and needs replacement, thus reducing potential accidents caused due to the absence of tyre grip.



In house development of winter products

Self-reliance in technology has been one of the primary focuses of CEAT's Research and Development. CEAT strives to develop the global products indigenously that exceeds the customer expectations. Winter Drive SUV and Winter Drive Sport have been the key developments of this year where with the help of the Company's European Technical center, the

product is proved in International test tracks in Europe against the high-ranked global benchmark tyres.



Quality Based Management (QBM): CEAT's way of Business Excellence

It is the matter of pride and honour for CEAT's journey with total quality management practices and its emphasis on customer-centricity, that CEAT is the first tyre Company outside Japan to receive the Deming Prize, which is a global quality award that recognizes organizations for their contributions to the field of Total Quality Management ('TQM'). At CEAT, all the activities and processes are geared for enhancing the end-to-end quality and customer satisfaction.

QBM (Quality-Based Management) is the CEAT's way of implementing TQM and business excellence. It supports systematic operations to achieve business objectives effectively and efficiently.

During the year, the Company has achieved the highest ever total employee involvement in improvements with 8,620 man-days of training provided to enhance the competency in QBM methodology and tools resulting in data-based decision-making at the Gemba level. In FY 2021-22, 82,665 continuous improvement projects i.e. Kaizens, have been implemented to address the safety, quality, delivery, cost and morale.

During the year, five (5) teams of the Company, received the awards at

the Confederation of Indian Industry ('CII') Kaizen Circle competition at the State and National levels. As a part of Lean Management, Company has further leveraged the value stream mapping process and eliminated 574 Muda (waste) and 8,520 Muri (overburden) from various processes. as a result, Company has reduced the manufacturing lead time of PCR, TBR and 2W by 20% through Single-Minute Exchange of Dies ('SMEDs') implementation with scheduling algorithm modifications and optimised in-process inventory control. Lean management is also extended to the entire supply chain from raw materials gate entry to tyres dispatch to the customer.

CEAT has completed 400+ Quality Improvement Projects ('QIPs') to solve problems to achieve business objectives. An internal competition, QIP Mahasangram 3.0, was also held covering themes of Customer Focus, Operational Excellence and People Power, where 19 teams across functions participated.

To reduce manual controls, 347 Human error prevention projects were completed. Sustainable, Productive, Accurate, Reliable, Safe and Healing (SPARSH) is a unique and innovative approach being followed in CEAT. During the year 4531 associates participated across the manufacturing plants and 878 projects have been completed.



Digitization

The digital landscape defines the future of global innovation and production. To avoid obsolete technologies and practices, CEAT is making active efforts to deploy updated technological systems and processes. In order to deliver innovative & quality products within a stringent timeline at reduced costs and compete effectively in the current pace of demanding environment, The Company has initiated and implemented various digitization and automation initiatives. This has led to improved efficiencies. As a part of digital initiatives, CEAT has created a value across all its business functions for its stakeholders. The Company has enhanced various processes such as Product Life Cycle Management, Robotic Process Automation and Energy Dashboard.

Digital Premier League (DPL) was launched in FY 2021-22 to create awareness and enhance digital skilling of its employees.

In line with CEAT's digital journey with emphasis on creating user friendly experience and customer delight,

CEAT.com has received digital marketing excellence award for best of the website by CMO Asia, 2021.



Human Capital



Interlinkages with other capitals



Financial



Manufactured



Intellectual



Natural

Focus Areas

Aspirational Employer Brand

Diversity And Inclusion

Capacity Building

Employee Wellbeing, Health And Safety

Employee Engagement

7,622

Permanent Employees

32%

Women Workforce in all new hire

94.9%

Employees returned to work after parental leave

6,221

Health & Safety training man-days

99.78%

Fully vaccinated employees

7

Transgender employee part of workforce

People at CEAT play a critical role in the quest for transformational, responsible and long-term change. CEAT promotes a collaborative people-centric culture by engaging with employees and workers. CEAT aims to transform the organisation by cultivating a proactive and open growth-oriented culture to create cross-functional agile teams. As part of its human capital, CEAT focuses on creating opportunities for its people. With a strength of 8,414 employees, including permanent, temporary and contract employees, CEAT has established as an aspirational brand with agile team in the automobiles industry.

Employee Wellbeing

For CEAT, employees are its most valuable asset and the Company is committed to the wellbeing of employees and workers. A Chief Fitness Officer is appointed, to support CEAT's people centric culture and wellbeing of its employees. Throughout the year, the Chief Fitness Officer proactively engaged with employees to discuss preventive and recuperative healthcare aspects such as immunity building, diet counselling, and hygiene. CfitO Hotline was launched for all employees to connect with Chief Fitness Officer during the medical exigency and other related assistance. This Hotline proved to be very useful during the second and third waves of the pandemic. After thorough screening a cohort of 150 management employees were identified as critical health cases. Of these, 109 saw successful health transformation. With due help and support from the Chief Fitness Officer, 136 associates have been identified across all plant locations of which 84 have undergone their counselling with CfitO. Further recognizing the need to allow employees to reach out and actively manage their lifestyle and following on the success of Personal Health Transformation Journey Programme, 'Need Based Counselling' was extended for which 122 management employees signed up during the year.

As a part of CEAT's culture of safety and wellbeing of its people Company had distributed COVID-KIT to employees who were tested positive, CEAT extended help to contractual labours by providing the meals from the central kitchen.

24*7 support was provided by CEAT's Human Resources and Admin teams to all the employees across country to accommodate the critical medicines, oxygen cylinders/ concentrator, home nursing, food arrangements. During the year, vaccination camps were

arranged for all employees across units to make sure all the employees are double vaccinated. End-to-end support was provided to its employees by partnering with various health care providers such as - Myhealthmeter, booking, practo, MediAssist, to help with doctor teleconsultation, COVID test booking, home isolation and hospitalization support. CEAT also partnered with Government hospitals & private hospitals like Breach Candy, Fortis, Max, Apollo etc. to provide medical support



CEAT organised Health and Wellness Week for all employees which encompassed the five dimensions of holistic wellbeing. Expert sessions were held for management ranging from the power of right diet to high energy Zumba sessions. Associates and workmen were engaged on ground.

Contribution to Sustainable Development Goals ('SDGs')



Benefits to Employees and Workers

Benefits to Employees	Employee Assistance Program by Emotional Wellness Partner	
	Health and Life Insurance	Parental Leave
Benefits to Workmen	Accident Insurance	Health and Wellness through Personal Health Counselling
	Health and Life Insurance	Health and Wellness through Personal Health Counselling

CEAT has implemented the initiative of extending the benefits of healthcare insurance for workmen by introducing a new insurance policy "Term-life insurance" and has raised the health insurance cover from ₹ 10 lakhs to ₹ 15 lakhs to the families of workmen who succumbed due to Covid.

CEAT's Parental Leave Policy

CEAT has offered the option of flexi-working for new mothers to accommodate the flexibility of halfday working in the first year after the childbirth, in addition to 26 weeks of maternity leave. Additionally, parental

leaves has been extended to adoptive parents.

In FY 2021-22, CEAT has received 161 Paternity, 18 Maternity and 4 Miscarriage Leave Applications.

Total employees who availed parental leave were 179 and 170 returned to work. Furthermore, 100% were still employed after 12 months of their return to work.

"CEAT is always there to support and stand with its employees." Losing a child is experienced by many but discussed by few. In unfortunate event of a miscarriage or medical termination of pregnancy, the bereaved woman employee is entitled to leave for a period of 6 weeks immediately following the day of her miscarriage or medical termination of pregnancy."

Employee Contribution Scheme

CEAT goes out of its way to ensure that employees could avail the appropriate health care at the time of hospitalization. There are still those rare instances where the Company's employees have lost their dear

colleagues. At these unfortunate rare moments, the Company steps up to support the departed colleague's family with employees voluntarily contribution. This contribution consists of one day basic salary from employees.

The Company has benevolently committed a minimum amount of ₹ 15 lakhs i.e., ₹ 7.50L from employees matched by an equivalent ₹ 7.50L from the management for each such incident.

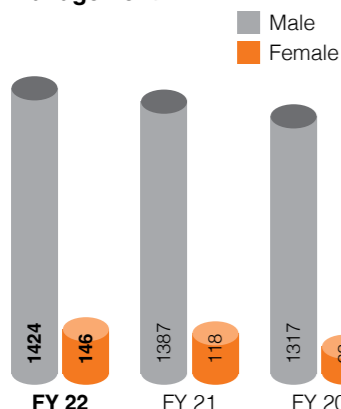
Diversity and Inclusion

In today's competitive business market, having multiple points of view is quite valuable when it comes to addressing numerous difficulties that are critical to the Company's success. CEAT's operations, with a diverse workforce in terms of gender, age, region, and background promotes creativity and innovation. CEAT has conducted several programmes and

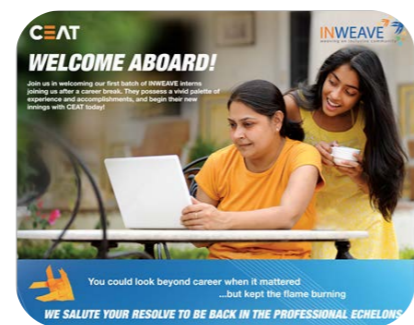
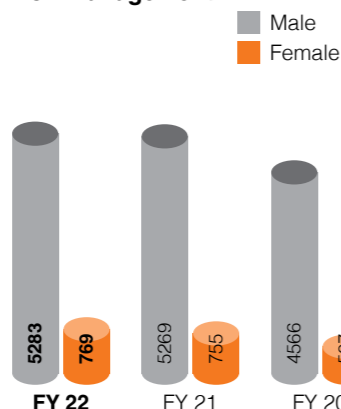
activities to create awareness and a sensitive, fair and equitable work culture, focusing on diversity. With the goal of adopting a varied and inclusive culture. CEAT is one of the first tyre companies to hire female employees on the shop floor. The D&I employee referral programme is intended to encourage the referral of a wide range of candidates. CEAT has launched

The Internship program 'Inweave - Breaking of stereotype' for women returning to work and the specially abled class. CEAT onboarded a batch of 12 Inweave interns under the functions - Procurement, Tech, Direct Taxation, Sales and Marketing, Human Resources, Sales Development and Digital.

Management



Non-Management



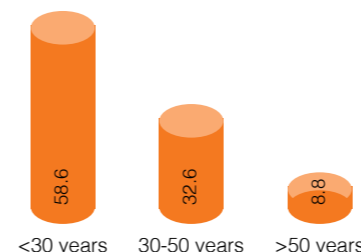
Another initiative - 'WoMentoring' was launched which accommodated 22 women in Coaching and Mentoring program. This year, for the first time ever Nashik hired 3 women supervisors to handle operations at shopfloor. Other 4 women have been placed in the supporting functions. Nashik has now opened positions which can only be filled by female

employees. Proactive sourcing of diversity candidates has become the CEAT way of Hiring.

CEAT people's policies contribute to the culture of inclusiveness and diversity, as well as a flexible work environment, resulting in low employee turnover. CEAT has taken a step forward in terms of inclusivity

by focusing on recruiting differently abled employees. Sensitivity and sign language training for team members were conducted to establish an environment where people are geared to working with differently abled employees. As of March 31, 2022, CEAT employed 29 differently abled persons.

Age wise breakdown workforce in FY 2021-22 (in %)



Diversity in Hiring

CEAT Way of Hiring (CWH) is a holistic framework for hiring the best of talent in CEAT while delivering on the timelines to facilitate business requirements. CWH touches all aspects of recruitment viz. diversification and quality of sourcing pool, interviewing capability, cultural fitment, decision making using cross functional interviews and finally coaching & mentoring basis assessment. CWH is uniquely integrated with the CEAT values of PACE® and Quality Based Management (QBM). Hiring the right talent in cultural alignment helps CEAT to improve retention and enables the candidates to feel right at home while focusing on delivery.

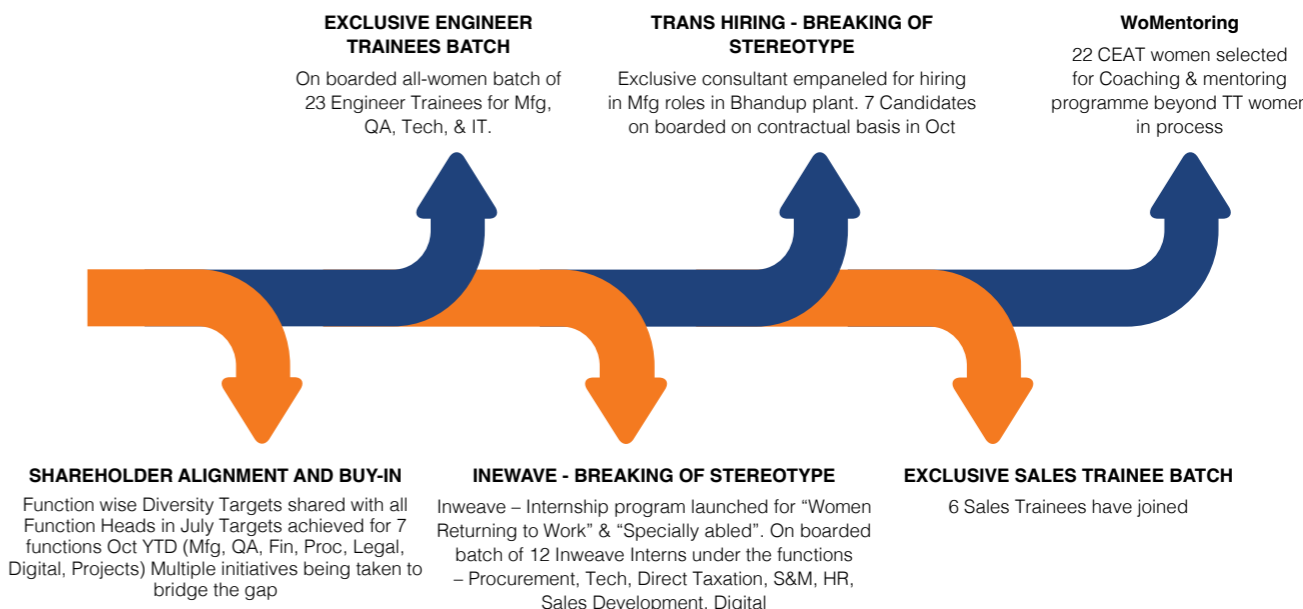
Hiring of Transgenders

Striving to become an equal opportunity employer, empathising with the fact that they often experience stigma, discrimination, and hostility, and are under constant pressure to "manage" their identities in social settings— including the workplace, CEAT went ahead and hired "Trans people" employees. The entire place was made aware of the idea long before the hiring took place. CEAT has meticulously planned their hiring and induction to integrate them in by ensuring smooth assimilation of the team in CEAT's culture. Every employee was taught about the community - how diverse they are, and, most importantly, that they are just like the rest of us in terms of hopes, dreams, difficulties, and accomplishments. They were taught how to greet them properly and which pronoun to use when addressing them. Detailed sessions were conducted to raise awareness among employees supported by FAQ. During FY 2021-22, Company recruited 7 Transgenders in Bhandup facility.

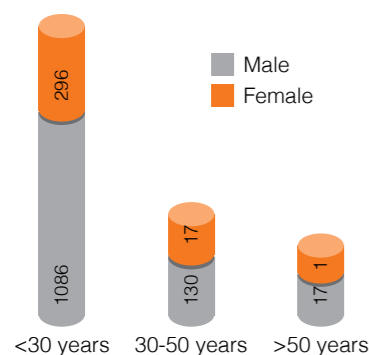
Key interventions for Trans people:

- 01 CEAT has provided gender-neutral washrooms and restrooms
- 02 Facilitated accommodation before joining
- 03 Transgender sensitization training for all stakeholders
- 04 Hiring across CSR, HR, Admin, Accounts and PPC team
- 05 Dedicated Grievance Management during monthly meeting at plant

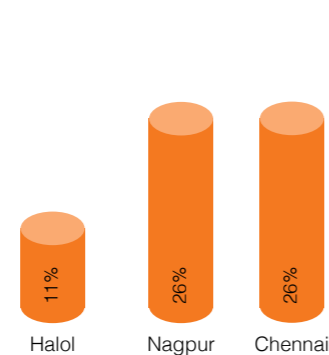
CEAT Way of Hiring (CWH 2.0)



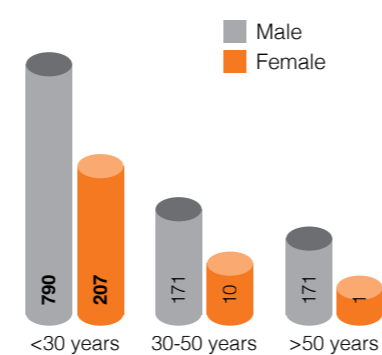
Employees Hired in FY 2021-22



Diversity Hiring in FY 2021-22



No. of Employee Turnover by Age



Employee Engagement

At CEAT, the Company believes in building the 'Professional Net Worth' of the Company's employees through progressive initiatives and policies which today's talent seeks from their employer.

CEAT Pulse, a multi-dimensional technology-oriented initiative is developed to create a sense of camaraderie and open, transparent workplace culture for better employee engagement.

CHAMP, a Rewards and Recognition platform helps in boosting employee's motivation by recognizing them in wide range of categories for workplace contribution.

"RPG Alumni Circle" is an engagement platform launched during the year, with the aim of furthering and leveraging brand RPG while promoting networking, camaraderie. The Alumni get the options to ask question and get latest news at RPG, along with the current job opportunities that ties in with the Boomerang initiative.

Boomerang is a key lever in our RPG Talent First Philosophy that aims to provide opportunities and preferences to the Company's internal talent first before looking outwards for recruitment.

CEAT partnered with **external health partner** and institutions to offer an

Employee Assistance Program that allows employees and their immediate family members to receive counselling or advice from an expert on a variety of topics such as stress, anxiety, addiction, and trauma. Employees were also subject to active contextual interventions in collaboration with other clinics. Total of 410 management employees including 102 family members and 230 associates reached out for consulting.



Grievance Management

Employees at CEAT have access to an effective grievance redressal system via which they can voice any workplace problems. It provides a digital forum, **"Bol Bindass"**, for its employees to voice their complaints about day-to-day operations. Employees can even file complaints through Red Book when they are offline.

CEAT has implemented a **"Sherlock"** an AI Bot, accessible through 5 modes including mobile application, desktop, MS Teams, MS Outlook & the Company intranet, chatbot to address questions about business policies and employee issues. This unique solution ensured that management employees had access to all the policies of the Company 24x7 and eliminated the dependency on HR to that extent. CEAT also introduced the Grievance Module shortly thereafter to

provide management employees the opportunity to raise their grievances or queries seamlessly.

There are approximately over 200 combinations of Categories & Sub-

Categories for employee's grievances & queries. For the year FY 2021-22, 691 tickets were raised of which 496 have been closed contributing in a big way in establishing credibility for the Company's first in-house AI solution.

INTERNATIONAL WOMEN'S DAY CELEBRATION 2022 @ CEAT HALOL



Learning and Development at CEAT

Functional Capacity building

CEAT believes in building robust technical/functional capabilities that help its employees to learn the skills needed to perform their roles in an effective manner. To further

this objective, CEAT has set up the following functional learning academies: Technical academy for manufacturing, R&D academy, Sales Academy, Digital Academy and

Finance Academy. The academies take the help of internal and external faculty who run programs across the year on topics that are identified basis a need analysis.

Finance Academy	Digital Academy	R&D Academy	Technical Academy	Sales Academy
21 topics for skill-building were identified as relevant to finance professionals at CEAT.	Data and Analytics academy was launched under project lighthouse to build the digital capabilities needed across roles and functions at CEAT. Separate learning journeys curated for data scientists, business translators and functional leaders for understanding their role in driving Digital and Analytical projects across CEAT.	The objective R&D Academy is to build basic, intermediate, and advance knowledge and skill of R&D professionals through a common minimum program of identified essential concepts for a Technology professional.	4 Level Advance Hydraulic Program conducted over 4 months for the Plant Engineering team.	Focus on building product knowledge and selling skills in sales employees across levels and locations.
Identification of e-learning courses and internal trainers that are suited to deliver learning on these 21 topics.		60 employees undergoing programs of the R&D academy.	Launched Rubber Certification program for Lab In-charge in association with National Rubber Institute	63 programs conducted in the year 2021 under sales academy covering 20 topics.
			In FY22, 63 programs were conducted under Technical Academy	

Learning and Development

Through learning and development the Company is creating modules to accommodate the cross functional teams to lead the innovation from idea to design and development. CEAT has collaborated with premium institutes like IITs, University of Dresden, Germany and working on joint projects with doctoral students.

Career Dialogues

This process is to support employees in developing themselves and their careers to contribute to the organizational objectives in a way that is personally meaningful to them. It is an opportunity to seek clarity about career prospects within CEAT and / or in RPG and receive authentic feedback from manager on perceived strengths and areas of development.

The process was strengthened by moving it to after succession workshops and OMR so managers can be in a better position to discuss possible career prospects with them.

With continued efforts towards driving our career philosophy of job rotation, this year, the Company is left with only a little over 100 people who are in the same role for more than 4 years.

R&D Capacity Building

CEAT is aiming to foster an environment of constant innovation and agile organizational teams across the operations.



6.22 Hours
Management

37.19 Hours
Non-Management

15.49 Hours
Permanent Female Employees

8.7 Hours
Temporary/ Contractual Employees

(Average hours of training per employee per year)

Happiness Quotient:

CEAT, as it continues its journey on becoming Aspirational Employer, it embraces Happiness as a way of life at CEAT. Last year, CEAT marked the first occasion when it launched the organically developed Happiness Survey across its workplace with the cherished aim of compounding happiness at workplace through feedback. CEAT conducted deep insightful conversations was conducted and basis the inputs received we found significant scope for improvement in 'I feel Valued' and 'I live purposeful and balanced life' levers of Happiness. In addition, CEAT also formed an action plan wherein it looked at existing initiatives and policies on opportunities for career advancement, talent development, capability building and work life balance. As a result of its efforts, CEAT's Happiness Quotient increased from 81 in FY 2021 to 82 in FY 2022, with CEAT India score has increased from 82 to 83.

Succession Management:

CEAT assesses employees on the RPG Leadership Capability Framework. This is followed up with Career conversation for every employee on future direction with immediate supervisor post which development action plans are drawn. The Company's adherence to succession plan has moved from 40% in FY 2016-17 to 88% in FY 2019-20 and maintained at 87% in FY

2020-21. This year CEAT achieved 100% succession adherence, with 77% General Manager & 89 % Vice - President and above positions filled via internal succession pipeline.

Coach the Coach :

Coaching is hailed as powerful tool to not only develop CEAT's top talent but also for mutual sharing of experiences and opinions to create agile team with efficient and effective outcomes. At CEAT, coaches are considered as equal partners to enable two-way open communication by guiding the employees and team towards their goals and solutions. CEAT has initiated 'Coach the Coach' which is a Coaching Certification program with dedicated six-month program with an assessment. Post evaluation

the coaches then gets certification as "CEAT Certified Coach".

51
Certified coaches at GM+ level.

186
Management Employees have participated in "Leader as Coach Program"

In FY 2021-22, CEAT covered all 6 levers of Happiness by encouraging the need to take up a 'Personal Goal' in addition to Professional Goal.

My company didn't give up on me when I was ready to.

Dipak Das
Asst Manager - Production
CEAT, Ambernath plant

Occupational Health and safety

CEAT as a group has formulated a long-term business strategy taking into consideration of OHSAS requirements. Organization has set a purpose, which is 'Making Mobility Safer and Smarter Every Day. To achieve the Company's vision, Corporate EHS has formulated EHS vision and long-term goal that is 'to achieve incident free work environment and be recognized as premier EHS organisation', and goal of 'zero incident and minimising CEAT's impact on the planet & communities. To implement this EHS Goal, four verticals have been identified namely Manufacturing, Supply Chain, Sales & Offices and Outsourced Partners. Three priority areas for enhancing

EHS performance are decided namely Culture, Operational Systems and Management Systems.

CEAT provides a safe working environment for its employees. It is dedicated to reducing workplace accidents and illnesses, and so takes a proactive and methodical approach to identify occupational health and safety dangers and risks. CEAT has established and maintained a health and safety management system that complies with regulatory requirements as well as the ISO 31000 standard's recommendations for risk management in the workplace. All permanent and contract employees in

the Bhandup, Nashik, Halol, Nagpur, Ambernath, and Chennai plants are covered by the management process. On the environmental front, CEAT adheres to all environmental legislation and operates under the idea of "pollution prevention rather than control."

CEAT has certain measures in place to ensure a safe and healthy workplace which is divided into two buckets: H&S infrastructure and H&S systems. Safety trainings are provided to all employees, H&S surveys are conducted to ensure a healthy workplace.

Human rights and Labour relations:

At CEAT, human rights are respected and CEAT has a Human rights policy to ensure the compliances and adherence to the aspects of Human Rights. CEAT respects employees' freedom of association without fear of retaliation, discrimination, intimidation, or harassment. The employees are represented by formal employee representative groups. Currently, there is one recognised employee association across the Company and 1919 workmen are its members constituting 25.18% of the total permanent employees.

They also protect employees' collective bargaining rights by

recognising and supporting labour unions across the board. Moreover, no complaints of child labour, involuntary

labour, or discriminatory employment have been filed during the reporting period.



Safety Committee

CEAT has formed two safety committees: a central safety committee that meets every three months and departmental safety committee that meets every month. The Plant Head and Department Head, respectively, chair the committees, which include both permanent and contract staff for assisting and cooperating with management in achieving the Company's Health and Safety Policy objectives. They also deal with issues

of health, safety, and the environment to provide realistic answers. Area Safety Monitors are also appointed for each department. The roles of the committees is to assist and co-operate with the management in achieving the aims and objectives outlined in the 'Health and Safety policy' of the occupier, dealing with all the matters concerning health, creating safety awareness amongst all the workers, undertaking educational, training and

promotional activities, deliberating on reports of safety, environmental and occupational health surveys, emergency plans, safety audits, risk assessment and implementation of the recommendations made in the reports & looking into any complaint made on the likelihood of an imminent danger to the safety and health of the workers and suggestive corrective measures.

Occupational Health

CEAT strives for "zero occupational disease cases," and as a result, it engages in cross-functional activities to eliminate occupational health risks. Occupational Health Centres are open 24x7, and are staffed by experts.

CEAT also offers ambulances and first-aid facilities at all its factories, and all its employees, including contract workers, receive regular medical examinations. The Company has implemented strict COVID-19

safety precautions and guaranteed that most of its employees have been vaccinated. For all levels of staff, the Company has introduced health and wellness initiatives.



Hazard Identification and Risk Assessment ('HIRA')

CEAT has an EHS Standard on Occupational Health Management System that describes primary, secondary, and rehabilitation services. Occupational health objectives are set at the start of the year in accordance with the EHS strategy and roadmap, such as a decrease in the number of occupational illness cases, the number of MURI (fatigue) reduction projects implemented, the percent compliance with the occupational health risk mitigation plan, the reduction in respirable carbon dust in mixing in mg/m³, and the reduction in boiler and utility noise levels. The risk control plan is reviewed every month during operations review conducted by Vice President Operations (Site In charge) and Senior Vice President Manufacturing. Periodically workplace and personal monitoring is carried out through industrial hygienists such as heat stress & ventilation survey, noise level survey, illumination survey, Respirable Suspended Particulate Matter (RSPM) monitoring survey. Action plan is prepared based on survey findings and reviewed in

monthly operations review and safety committee meetings.

At the facility, important risks are recognised by Occupational Health Hazard Identification and Risk Assessments such as Manual Material Handling ('MMH') assessment, workstation ergonomic evaluation, Display Screen Equipment ('DSE') assessment, Traffic Risk assessment, Activity risk assessment, ergonomic assessment, Control of Substances Hazardous to Health (COSHH) assessment and Task hazard analysis through work permits. The risk mitigation plan is created using the hierarchy of controls, with first priority given to elimination or substitution of controls and engineering controls. The occupational health guideline also specifies the processes for handling special risks to women of childbearing age. The Occupational Health Centre (OHC) is manned by a doctor in general shift, and around the clock by nurses (sisters). Personnel, including contractors, receive pre work medicals against

specified fitness standards. Fitness for work is monitored through ongoing health surveillance based upon task/activity risk profiles and a process of follow up using a colour card system for tracking. Health surveillance and medical examination provide baseline and ongoing health management information. The external hospital was used as a support resource. First aid training is delivered both in-house and via St.John. First aid provision and needs have been assessed, and suitable equipment and personnel have been provided. Periodical inspection of OHC equipment's, Ambulance, eye showers, first aid boxes is carried out with the help of a checklist by EHS Manager & Doctor and inspection findings are discussed during departmental safety committee meetings.

The baseline for continuing health management information is provided through health surveillance and medical examination. The external hospital is utilised as a source of assistance.

Commitment to 'Zero Accidents'

CEAT has a policy of "zero accidents." CEAT's commitment to "Zero Accidents" has developed in a mobile app that allows employees to report risks and hazardous circumstances. To compare with its processes, the Company has embraced the British Safety Council's ('BSC') Five Star Occupational Health and Safety

Management System. CEAT employs a flexible approach to risk reduction at its work locations, using the most up-to-date safety measures. All the Company's production facilities have received ISO 45001:2018 certification. Furthermore, the Company takes adequate steps to provide thorough training to its personnel (including

contractual training) and to ensure that safety procedures are followed. Shift assembly Meetings ('SAM') are conducted at the start of shift where health and safety issues such as unsafe conditions & unsafe acts are discussed and tracked.

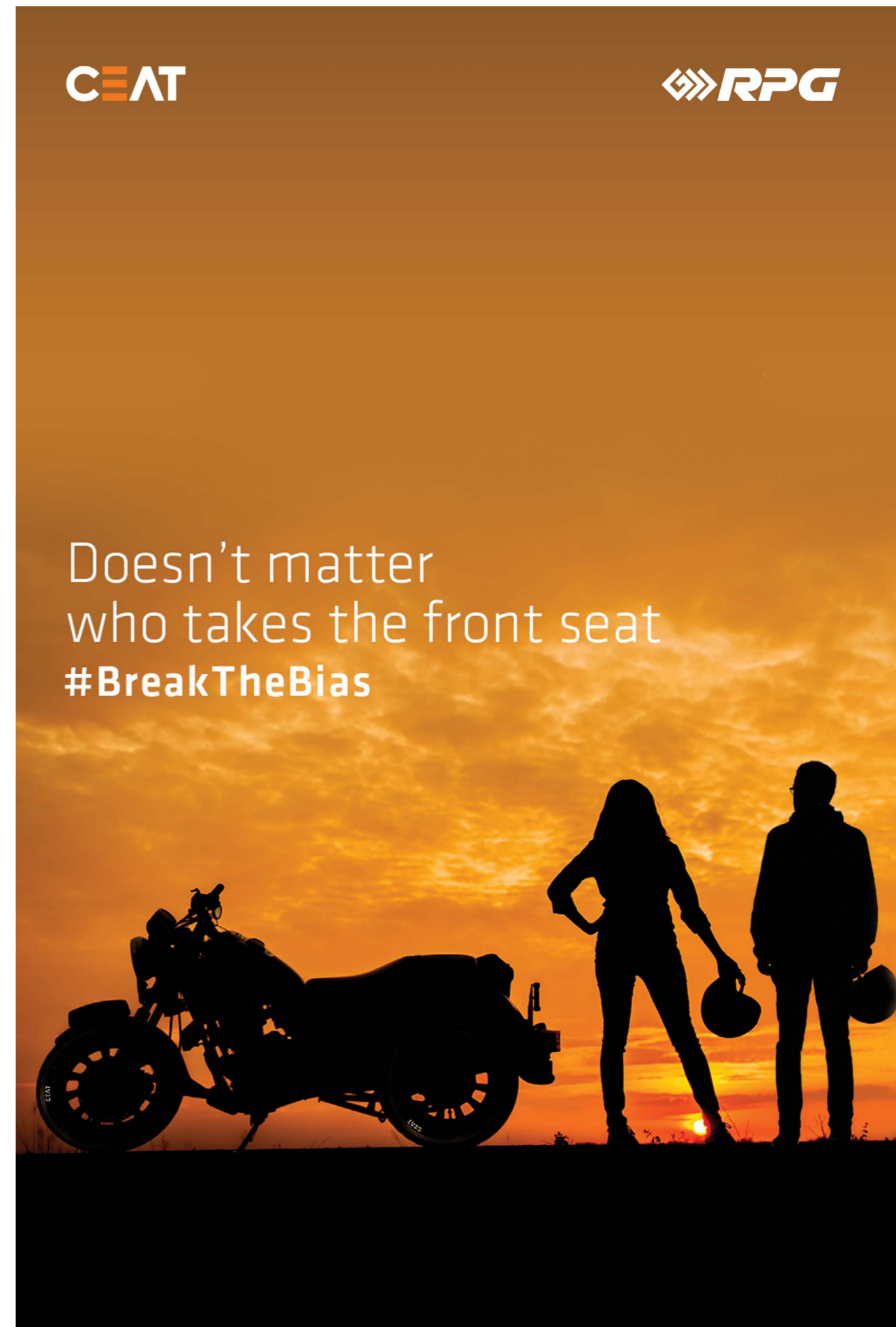
The work-related injuries in FY 2021-22 accounted for 2,77,16,990 person hours are as below:

Particulars	Total for FY 2021-22
Work-related injuries	32
Lost time injuries	1
Rate of recordable work-related injuries	0 *
Lost time Injury frequency Rate	0.04*
Fatalities	0
Fatality Rate	0
Injury Rate	2.84
Severity Rate	0.87
Frequency severity Index	0.006

* The rate of recordable work-related injuries and lost time injury frequency rate has been calculated based on 10,00,000 hours worked.

Safety Training:

CEAT focuses on fostering a safe work environment by providing regular EHS training. In addition to the monthly training sessions provided to permanent and contractual staff, new hires are required to attend mandatory training sessions. CEAT has performed work-related health and safety trainings on topics such as machine guarding, danger identification, environmental and associated trainings, and so on during the reporting period. During FY 2021-22, total number of health and safety training man-days conducted are 6221.



Corporate Overview

Value Creation

Statutory Reports

Financial Statements

Natural Capital



Interlinkages with other capitals

- Financial
- Manufactured
- Intellectual
- Human

Focus Areas

- Material Management
- Environmental Impact
- Energy and Emissions Management

51,141 GJ
Energy Saving Achieved in FY 21-22

100%
EPR Target Accomplished

96%
Waste Diverted From Disposal

70%
Reduction in Wastewater Discharge

1.31 Mn. GJ
Renewable Energy Consumption

3
Zero Liquid Discharge Facility

9,449 MT
Reclaimed Rubber Used

2,236 tCO₂
through energy saving initiatives

Contribution to Sustainable Development Goals ('SDGs')



CEAT acknowledges the significance of the natural ecosystem and embeds sustainability in all its business practices and also encourages the involvement of its people in making sustainability personal. Through resource conservation, energy efficiency and emission management, CEAT tramps strives to accomplish its Sustainability vision 2030. With innovative products using green material and reducing waste, CEAT instills trust in the Company's capability to effectively address sustainability concerns in ways that creates value for its customers, shareholders, and society.

CEAT's ESG and its Environment Stewardship

With the commitment to halving its carbon footprint by 2030, CEAT is embracing a low-carbon economy and embedding sustainable practices throughout the lifecycle of the tyres. The Company will continue to implement sustainable solutions to progressively reduce its environmental footprint through various initiatives like increased use of green raw materials, transition from conventional to renewable energy sources, attaining high recycling and recovery rates etc.

Moving towards its sustainable journey of accomplishing its Environmental, Social and Governance ('ESG') Vision 2030, CEAT has developed a robust sustainability framework. The framework has facilitated the incorporation of sustainability into the DNA of the organisation. An ESG Council is formulated which is chaired by the Managing Director and by representatives of the leadership team as well as various cross-functional teams across the Company. The ESG Council plays a crucial role in formulating strategies, setting targets,

and monitoring existing projects with an initial focus on green products, supply chain sustainability, resource efficiency, energy efficiency, emission reduction, water management and circular economy. The ESG Council upholds CEAT's values and its ESG commitment. CEAT has also developed plant level targets of reducing its carbon emission by 20% by FY 2021-22 considering the base year FY 2019-20 and has a roadmap in place to achieve this target. In addition, CEAT's Chennai, Nagpur and Halol plants are certified for Indian Green Building Council ('IGBC') Green building accreditation.

CEAT is taking considerable steps to increase the green cover of its plant. Its Chennai plant has planted more than 11,000 trees and more than 7,000 shrubs in and around its plant periphery. Along with this, CEAT provides a platform "Green Stripes" to their employees which acts as a seeding ground for ideas to promote sustainability within the organisation. In addition, this initiative

is encouraging its people to adopt personal sustainability.

The Company demonstrates resilience toward impending environmental catastrophes through a robust framework comprising risk identification and mitigation which is periodically assessed and monitored by the Risk Management Committee. CEAT ensures sustainable development throughout its value chain by screening its supplier across environmental parameters.



Corporate Overview

Value Creation

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Material Management

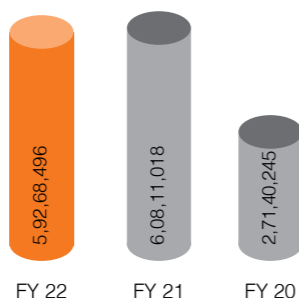
Demand for resources has grown tremendously over the decade in tandem with population expansion and globalisation, resulting in the depletion of natural resources and requires urgent attention of the world towards sustainable material sourcing, judicious use of natural resources and raw material security. CEAT has accomplished this by raising the share of input renewable material significantly in FY 2020-21 by 13% as compared to FY 2019-20 and it has continued to increase its renewable material consumption this year as well by 4% from the financial

year 2020-21. CEAT expanded its use of renewable materials, but it has also surged its recycled material consumption in product manufacturing by 118% from FY 2019-20, which is a remarkable achievement. The recycled materials consumed during manufacturing processes are High Density Polyethylene ('HDPE') bags, Bead spacers etc. In addition to these recycled input materials, CEAT has also escalated the procurement of reclaimed rubber to 94,49 MT. In the process of greening their manufacturing process, CEAT has taken a target to increase the number

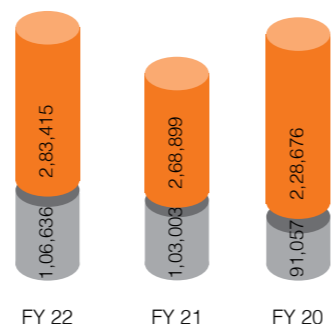
of green materials. The Company endeavors to achieve this target by increasing the percentage usage of sustainable materials like silica, wood raisins, clay, natural rubber etc. Elimination of 1,091 MT of woods and plastics has been achieved through the reduction in pallets during the shipment of natural rubber. With strong Research & Development credentials, the Company strives to adapt and spur innovation in product design to improve the environmental footprint of the product.

In FY 2021-22, the total reclaimed rubber has been 9,449 MT of the total raw materials procured which is 3.2% higher than FY 2020-21.

Recycled Input Material in (Nos) Units.



Material Consumption Index (in MT) in (Nos) Units.



Energy Management

CEAT recognises the potential environmental, social, political, and economic consequences of climate change and believes that efficient energy management is one of the useful techniques for mitigating CO₂ emissions. The Company strives to limit and minimise its environmental footprint by executing several projects leading to energy efficiency and financial savings. CEAT is on a spree of decarbonising its operation by increasing its investments in green and clean energy solutions. Following the trend of the previous financial year, renewable energy consumption surged drastically by 36% in FY 2021-22 as compared to FY 2019-20. This has been possible because of sourcing renewable power through various Power Purchase Agreements and solar rooftop installations. In Nashik, out of the total power consumed, 60% of power which accounts for 12.5 MW is from green power sources and in Bhandup, renewable power of 2.5 MW has been procured from

a group captive power plant. Thus, CEAT's Bhandup plant is also ahead in the race and has sourced 60% of renewable power in FY 2021-22. A total of 1,22,091 GJ of solar power is consumed in this financial year.

As a crucial step towards achieving its carbon footprint reduction targets, CEAT's emphasis on developing renewable energy capacity has increased. This is evident from the increase in capacity of solar rooftop installation across its facilities. In the Ambernath plant, 1.3 MW of solar rooftop installation has been carried out in this financial year accounting for 54% green power supply whereas, in the Nagpur plant, a 2.3 MW solar installation project is completed resulting in 8,631 kWh/day power saving. By switching to renewable energy sources, CEAT has achieved an annual power cost saving of ₹ 2,111.2 Lacs.

Thus, CEAT's overall renewable power consumption in FY 2021-22 is 26% and The Company has set a target

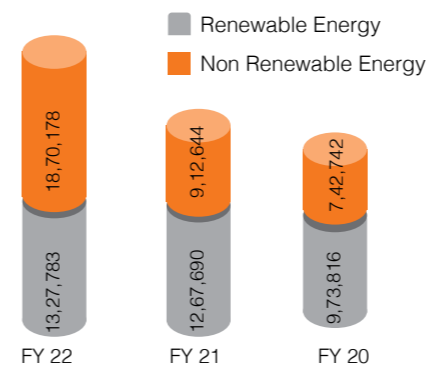
to increase this installed capacity of renewable power to 42% in FY 2022-23.

Natural gas, in addition to electricity, is another primary source of energy required for operations. Procurement of Natural Gas from GAIL Gas Limited for its Halol plant and Mahanagar Gas Limited for its Bhandup which is benefitting CEAT both economically and environmentally.

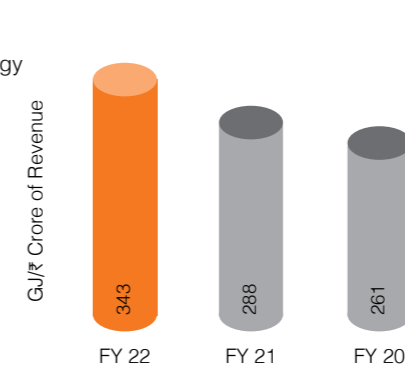
Apart from procuring renewable power and Natural gas, CEAT is shifting its focus from a conventional source of fuel i.e., coal to a sustainable fuel source. Briquettes currently account for 70% of the total non-fossil fuel consumed in CEAT. This transition has led to a decrease in CO₂ emissions. A total of 12,05,693 GJ of briquettes is consumed in the current financial year.

This year the total energy consumption is 39,17,961 GJ.

Energy Consumption in GJ



Energy Intensity:



CEAT has invested ₹ 60 Cr. in Renewable energy portfolio through solar, wind and biomass energy initiatives which has helped in the emissions reduction by 9,354.21 tCO₂.

Energy-Saving Initiatives

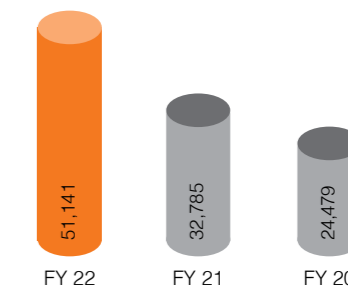
CEAT has steadily expanded its energy-saving initiatives over the years resulting in energy savings of 51,141 GJ. Thus, there is an increase of 56% in energy savings as compared to FY 2020-21 resulting in a reduction of 2,236 tCO₂e of emissions. The energy performance of all plants is measured through power, fuel and steam cost and is monitored at a regular interval. The Company strives to be efficient in its operations mainly through retrofitting, process modification and Variable Frequency Drive ('VFD') installation which helps to boost its energy performance. All the energy saving initiatives are spearheaded by an Energy Board that functions on a multiyear roadmap to drive these initiatives.

Apart from these initiatives, Bhandup and Ambernath plant practices daylight harvesting through the

transparent rooftop and in the Ambernath plant, furnace oil has been replaced with Light Diesel Oil ('LDO'). Owing to all these initiatives, Bhandup has been able to attain a power ratio of 0.633 kWh/g which is regarded to be the best in the tyre industry. It also achieved the best steam to production ratio in the Bias tyre industry which is 1.595. Apart from this, the Ambernath plant effectively pulled off an increase in fuel savings by 148% and steam savings by 71% as compared to the last financial year. In addition to this, in Halol Plant, energy efficient ACs, motors and fans are used in the cooling tower which helped in significant energy saving. The Halol plant has achieved steam ratio of 1.02.

To further ensure energy saving in the Chennai plant of CEAT, along with the

Energy Savings in GJ



above-mentioned initiatives, 100% LED lights have been sourced for factories and offices and 7% daylight from the roof is used for illumination. Because of various energy-saving projects and initiatives, CEAT has achieved a power ratio improvement of 70% as compared to FY 2019-20 in its Chennai plant.



Emissions Management

To combat CO₂ emissions, CEAT is taking deliberate steps to decarbonise its value chain. The Company is pacing towards its sustainability journey through its ESG vision of reducing its carbon footprint by 50% by the year 2030

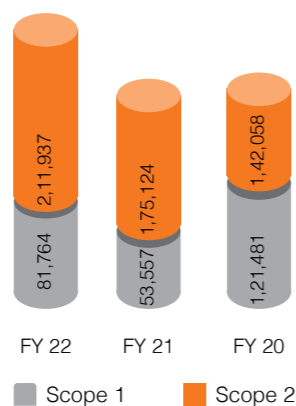
In this financial year, the total scope 1 emission of CEAT is 81,764 tCO₂e and scope 2 emission is 2,11,937 tCO₂e. With the increase in the consumption of renewable power energy and working constantly towards the implementation of various energy-saving initiatives, its Nashik plant has achieved the best ever carbon footprint ratio of 0.365 tCO₂/ton against the target of 0.46 tCO₂/ton in this financial year.

In the lifecycle of the product, around 80% to 90% of the emission occurs in the use phase of the product. CEAT acknowledges its environmental responsibility and goes above and beyond its operational boundary to cut emissions by lowering the

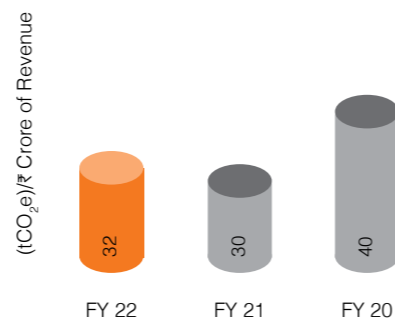
rolling resistance of some of its SKUs, network optimisation and by encouraging the use of Compressed Natural Gas ('CNG') and electric vehicles whenever necessary. CEAT has also promoted coastal shipping of its natural rubber from Cochin to Halol which has resulted in an emission reduction of 350 tCO₂. Along with these initiatives, through its Non-NR

network optimisation, the Company has achieved a reduction of 70 MT of CO₂ emissions. As a part of the Company's ESG Roadmap, The Company is in a process of realigning the emission data inventorisation in context to Scope 3 emissions from inbound, outbound, logistics, employee commute and business travel.

Emission Index in tCO₂e



Emission Intensity (Scope 1 + Scope 2)(tCO₂e)/ ₹ Crore



Stack Emissions

The Company is also concerned about other air pollutants like SO_x, NO_x and Total Particulate Matter('TPM') which are generated from the operations. In addition to complying with statutory norms which are verified by a third party, CEAT has put in place measures to limit emissions at the source and maintain a healthy environment for the areas in which it

operates. All manufacturing facilities of CEAT have committed to reduce its stack emission by 50% with respect to the permissible limit set by Central Pollution Control Board ('CPCB') and State Pollution Control Board ('SPCB'). The Company has Continuous Emissions Monitoring Systems in place to promote continuous monitoring of its non-GHG emissions and measures

these emission rates by considering the concentration of the contaminants and volumetric stack gas flow rate.

CEAT exerting its responsibility towards the environment and community addressed the grievances of the local community regarding the inconvenience caused to them due to dust emission by installing ambient monitoring stations at its Bhandup plant. The plant has an auto-charging system in place that prevents particulate matter from contaminating the atmosphere. CEAT continuously engage with the community on its environmental performance through its community initiatives, air emissions are one of the focus area which CEAT discuss with the community along with dust and noise emissions.

Air Emission Index in MT

Parameters in Metric tonnes	FY 22	FY 21	FY 20
Particulate Matter (PM)	181	164	197
Oxides of Nitrogen (NO _x)	84	23	16
Oxides of Sulphur (SO _x)	184	154	168

Water Stewardship

CEAT believes that water is a shared resource that must be managed judiciously and utilised responsibly. CEAT has endeavored in various initiatives to reduce its freshwater consumption. One of such initiatives is 100% utilisation of tertiary treated water for the processes of its Chennai plant sourced through a long-term

agreement with the local government. Its Bhandup plant achieved a water ratio of 2.47 KL/MT which is considered the best across all CEAT plants. The Company is focusing on water use optimisation, use of treated wastewater, rainwater harvesting, regular tracking of water consumption intensity, training and awareness

programs to surpass its target of reducing water consumption by 10% in FY 2021-22 by achieving a 12.8% reduction in water consumption in this financial year. To limit wastage of water, regular maintenance of valves and tapes is carried out and treated effluents are reused in cooling towers and boilers.

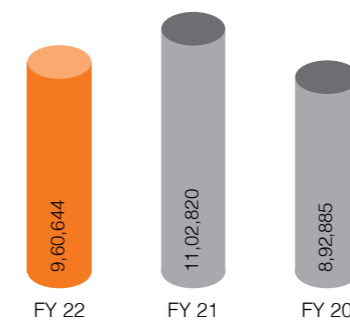
The Company has also accomplished a reduction in wastewater discharge by 70% for FY 2021-22 and has been able to achieve this target mainly by treating wastewater in its effluent treatment plant to the maximum extent as per SPCB guidelines and re-utilising the treated water in cooling towers, gardening, scrubbing and other domestic use.

In Halol treated effluents are used in cooling towers and for horticulture purposes. Similarly, In Nashik, out of the treated wastewater, 75 CMD is used for flushing purposes, 200 CMD is used for cooling and 125 CMD is used for gardening purposes. CEAT's other facilities such as Nagpur, Chennai and Ambarnath have achieved 'Zero Liquid Discharge'

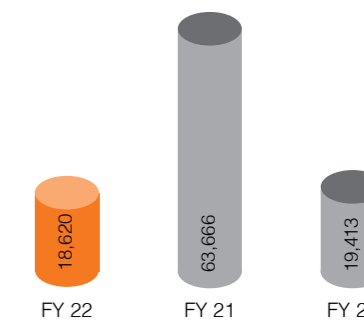
whereas Bhandup has implemented ISO 46001:2019, Water Efficiency Management Systems.

This year, the total water consumption is 9,60,644 (m³) and the total wastewater discharge is 18,620 (m³).

Water Consumption in (m³)



Waste Water Discharge in (m³)



Waste Management

CEAT believes in the effective management of the resources to eliminate and reduce all categories of waste generation at source, during the processes and after sale waste management in the form of post-consumer plastic waste.

CEAT manages its hazardous and non-hazardous waste in a compliant and ecologically responsible manner. The Company intends to set the industry standard for waste management practices, inculcate the notion of circular economy in business processes, and minimise waste generation by practicing the 4R principle: Reduce, Reuse, Recover and Recycle in its operations, eventually advancing towards zero waste to landfill.

In line with the statutory norms, all business processes are evaluated for potential waste generation before the operation is commenced. Then to handle those waste, CEAT examines alternate resources, technologies and processes which will enable waste generation optimisation. During business operations, these processes are constantly examined, appropriate improvement steps are implemented and are continuously monitored. CEAT is also involved with Automotive Tyre Manufacturers Association ('ATMA') in the formulation of a framework for the management of end-of-life of tyres.

CEAT manages its non-hazardous waste and E-waste through authorised recyclers and waste management

service providers. During this year, the Company has undertaken various initiatives to reduce its scrap by evaluating possibilities to re-utilise those in the manufacturing of products. This is evident from the fact that some % of crumb rubbers which are one of the byproducts are reused in product manufacturing. Chennai plant has achieved around 60% reduction in process scrap as compared to FY 2020-21. Similarly, the process scrap generated in the Bhandup plant is 0.463 against the target of 0.614 which is the lowest across all CEAT plants. Through scrap reduction, CEAT achieved a saving of ₹ 41 Crores compared to FY 2020-21 scrap value.

Through scrap reduction, CEAT achieved a saving of ₹ 41 Crores compared to FY 2020-21 scrap value.

In Bhandup and Halol, canteen waste is treated in a biomethane generation plant and the methane which is produced in the process is used as fuel in the canteen. This can be considered a perfect example of a cradle-to-cradle waste management initiative. The canteen wastes are



also converted into manure through vermicomposting and are used as fertilizers.

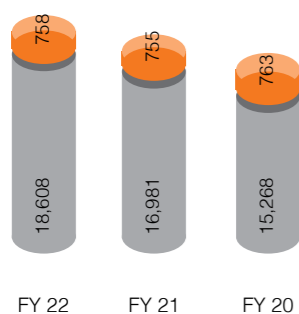
The Company is aligned with plastic waste management guidelines and practices its Extended Producer Responsibility ('EPR') in the proper management of plastic pouches used for packaging tubes. It has accomplished its EPR target of 100% this year. Other plastic reduction initiatives are the use of bamboo bead spacers instead of plastic, the

use of 100% mechanically recyclable tube pouches, replacement of plastic pouches for tubes change to biodegradable materials. CEAT encourages circularity in its value chain by reusing carbon jumbo bags and bead spacers and is able to recycle 743 MT of plastic in this financial year,

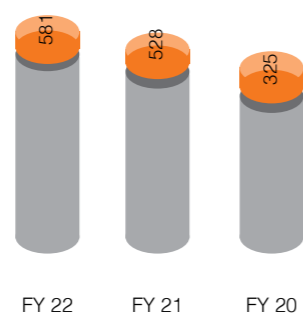
CEAT is fully compliant with prescribed permissible limits as per the regulations for hazardous waste generation and management.

This year, the total non-hazardous waste generated is 18,608 MT out of which 18,123 MT of waste is recycled, reused and recovered which accounts for 97% of non-hazardous waste generation. Total hazardous waste generated is 758 MT out of which 581 MT of waste is diverted from disposal. Total waste disposed to landfills is 663 MT and total waste diverted from landfills is 18,704 MT.

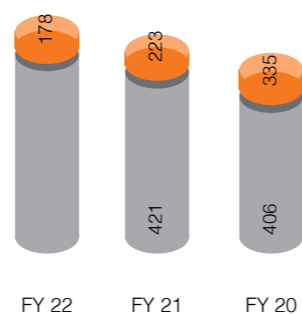
Waste Generated in MT



Waste diverted from disposal in MT



Waste diverted to disposal in MT



Legend: Non-Hazardous (Grey), Hazardous (Orange)

Sustainable Products

Driven by its commitment to emission reduction, resource, and energy efficiency, CEAT promotes the

manufacturing of sustainable products through an economically sound process that restricts detrimental effects on the

environment while conserving energy and natural resources. Its strong R&D base has enabled the production of tyres with less rolling resistance and has achieved a reduction in rolling resistance CEAT has also ensured that its customers are offered environment-friendly products by eliminating the sale of single used tyres.

Along with the above initiatives, CEAT has enhanced the retreadability factor of its tyres which has reduced material consumption in its production system significantly. It also contributes to waste management as it leads to a reduction in scrap and prevention of incineration of obsolete tyres after the end of their life.

This year CEAT has launched Color TWI, Energy Drive EV with (CALM) Tire technology, E Rickshaw Flat profile, Winter drive SUV and Steel Radial bias belted tires with a focus on customer safety and environmental stewardship.



Social & Relationship Capital



Interlinkages with other capitals

- Financial
- Intellectual
- Human
- Natural

Focus Areas

- Customer Satisfaction
- Community Engagement
- Engagement with Value Chain Partners
- Covid Support

2226
Teachers trained under Pehlay Akshar Program

99.47%
Customer queries resolved

1.68+ Lacs
Total beneficiaries impacted

75%
Procurement through local suppliers

Contribution to Sustainable Development Goals ('SDGs')



CEAT believes in the sustainable development of the society at large through various social interventions and community engagement. CEAT strives to gain trust of the supply chain partners and customers, through its business operations and profound associations. The ethos of CEAT is built on inclusive development which is directed to transcend the business and make broader social contributions to achieve the SDGs established by the UN and creating value for its stakeholders as a responsible corporate citizen.

Customer Centricity

CEAT's customer-centricity is a culture that has developed over the years to offer a smooth and seamless experience to its customers. The Company is constantly evolving with innovative products, after sales service support in line with compliance and growing consumer demands. CEAT has redesigned its website to offer best-in-class user experience with options like home delivery, home fitting, and store pickup options. The Company provides an integrated, problem solving, and hassle-free platform to its customers by eliminating any inconvenience to avail service benefits

4,600+
Dealers

660
Special Channel

475+
Distributors servicing over 51000 sub-dealers

600+
Districts Covered

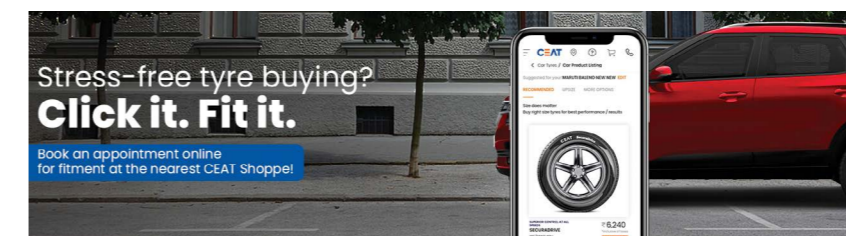
Presence in
110+
Countries

2,300+
Channel Partners Trained

Partnering with E-Commerce Platforms

CEAT has entered in the Metaverse of business via non-fungible tokens by deploying CEAT Shoppe with integration of e-commerce platforms. CEAT's e-commerce platforms facilitates customers to get a tyre delivery, fitment at home and pick

up from the nearest (physical) shop. In addition, the Company has collaborated with Amazon, Flipkart TyresNmore, and Tyre Plex. The online services include tyre fitting, replacement, balancing, alignment, and maintenance services.



GET A CALL BACK

Give us your details so our experts can call you back

Full Name *

Mobile number *

Get updates on Whatsapp

Select Vehicle Type *

Vehicle make & model

SUBMIT

By clicking Submit, you agree to our [TERMS AND CONDITIONS](#)

CEAT's Value Creation for Customers in FY 2021-22

CEAT has Net Promoter Score mechanism to assess the expectation and feedback of customers in devising strategy for new product development and customer service enhancement. In FY 2021-22 CEAT has achieved the highest ever Net Promoter Score of 70. The Company has enhanced its digital platform for its customers by providing access to raise claims and get quick resolution. It has developed a mobile held version of Integrated Facility Management – Customer 360° module as a real time customer

data through CEAT Assist app. CEAT customer engagement is featured in the Economic Times for its WhatsApp Bot facility to interact with customers to explore products, help with order related queries, provide know-how about nearby stores and customer support. CEAT has enhanced its Dealer Portal 5.0 to support dealers with branding, accommodate regular visit of sales executive and provides customised features. Through the dealer portal CEAT has launched unique loyalty program called 'CEAT

Premier League' for Shoppe with wish list functionality with feature of payment registration. Deals module is developed for sludge ordering, along with WhatsApp based engagement for channel partners.

CEAT executed User Experience 2.0 for customer insights to enhance user experience.

Chatbot –

30,000
Chats/Month

Digital marketing excellence award for best website by CMO Asia, 2021

Highest ever spot resolution of 68% through Dealer Channel and 81% through CEAT Shoppe

Customer Grievance Mechanism

CEAT has a dedicated grievance redressal mechanism for its customers. In FY 2021-22, 99.47% complaints received were resolved with a 67% spot resolution in the dealer channel. It has ensured compliance with the applicable regulatory requirements for the product as per specific category / customer / international market requirements. CEAT had zero reported incidents related to health and safety impact of its products during the year

Product Safety Compliance

CEAT has an inbuilt system to receive declaration from all its Raw Material suppliers to ensure that the raw materials received are free from any of the restricted material as per the defined market regulations. 100% of the products were covered and assessed by declaration of compliance to Circular Economy (CE), National Institute of Metrology Standardization and Industrial Quality (INMETRO), etc. from all the suppliers and product level testing. During the FY 2021-22, CEAT has not received any incident of non-compliance with respect to regulatory and voluntary codes concerning health and safety aspects of the product, labeling and marketing communication.

Website Testimonials by Customers

“I was immediately attracted to the Home Fitment option. This is the first time I am seeing any company do something like this, to do everything at the convenience of home. This is a great initiative to make things easier”.

Sports Collaboration

Company's commitment towards supporting the growth of sports in India continued during the year. Being the Official Strategic Timeout Partner for the Indian Premier League('IPL'), with addition of new teams in IPL 2022, CEAT was able to reach larger audience and popularity around the

world. In addition, Company partnered with the Board of Control for Cricket in India ('BCCI') as the 'Strategic Timeout Partner', for the Women's T20 Challenge which provides opportunities for all the budding women cricketers and uplift the spirit of the game without any bias.



Engagement with Value Chain Partners

Highlights

Vendor Learning Session

CEAT has provided trainings on Quality Based Management System (QBM) to 56 Vendors

1st RM Vendor Meet

300+ participants from 120+ vendor partners had joined CEAT in its first RM Vendor meet where CEAT awarded the best performing vendor across 23 award categories. Through this meet CEAT has acknowledged the concerns of vendors and expressed its journey with its partners.

CEAT encourages the production of sustainable goods and is driven by its dedication towards emission reduction and resource efficiency. CEAT

ensures its value chain partners such as suppliers and distributors to align with CEAT's ESG Roadmap. It values long-term strategic collaborations for

alternative renewable raw material sourcing for product development and efficient distribution networking.

Supplier Satisfaction Survey:

CEAT's supplier satisfaction survey revealed a happy supplier base of 99% indicating a strong association across the supply chain partners.

Promoting Localisation:

- 1) 75% of the entire supply chain partnership is with local suppliers (as compared to 69.2% in the previous year)
- 2) 97 active raw material suppliers assessed with on environmental parameters, nine new suppliers were qualified. Five of nine suppliers were also complying with the standards with ISO 14001.

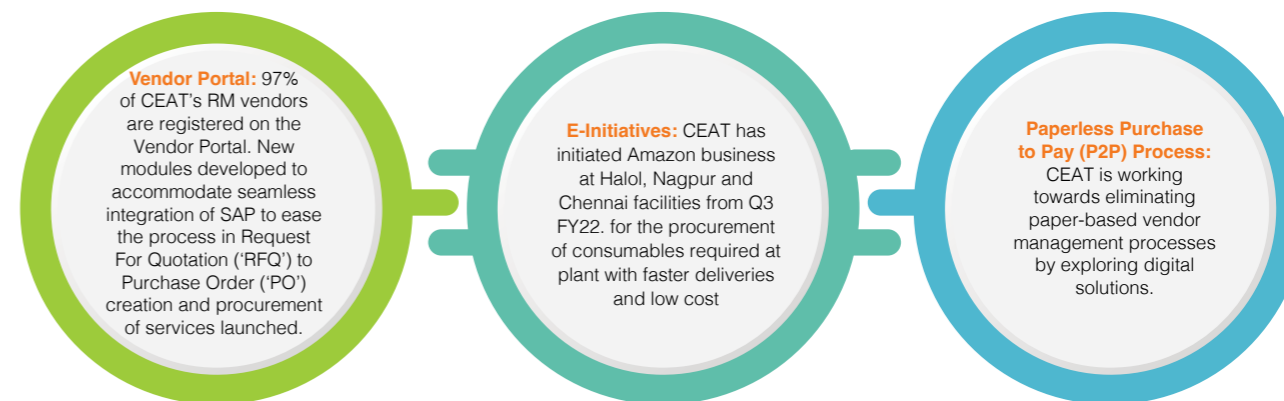
CEAT engages with suppliers for creating awareness on compliances by carrying out regular supplier assessment on environment, quality, and social performance (Environmental Management System, ISO certifications, Health & Safety standards, waste management, International Automotive Task Force (IATF) and Conflict Mineral Reporting Template (CMRT). CEAT undertakes the due diligence process to prevent and mitigate negative environmental impacts which either causes or contributes to, or are directly linked to its activities, products, or services by value chain partners.

CEAT collaborates and communicates efficiently within the supply chain and is working on enhancing its market positioning regarding OEM's. CEAT has entered in the EVs market and expects to widen its collaborations with EV based OEMs.

Recently Skoda unveiled its premium midsize sedan Slavia on CEAT tyres along with OEM approvals for Ashok Leyland, CHL, Sonalika.

CEAT uses a performance scorecard and a yearly OEM satisfaction survey and regularly engages with its OEMs to gather feedback and enhance on its products and services.

Key Initiatives in FY 2022



Supply Chain Sustainability

NR Coastal Shipment: CEAT has implemented the shipment of natural rubber through Sea route from Kerala to Halol, which has resulted in reducing the cost of shipment with 400 MT of estimated CO₂ reduction.

Non-Natural Rubber Network Optimisation. CEAT has identified the possible logistic corridors to eliminate the emissions and long-haul risks with mapping of the local and nearby Non-NR suppliers.

Natural Rubber Pallet Reduction: Identification of efficient ways to reduce NR Pallets by shipping Natural rubber in loose bales. 736 MT wooden/plastic pallet and around 100 MT of shrink wrap plastic reduced in the year.

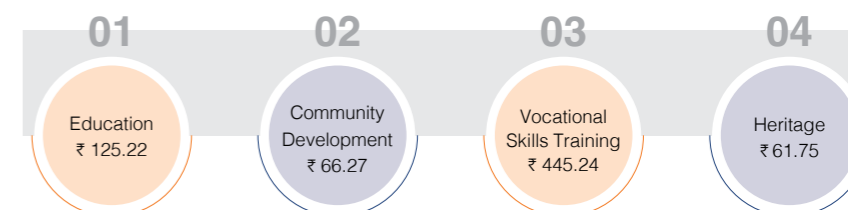
Community Engagement

CEAT's CSR purpose is to drive "holistic empowerment" and overall well-being of the community. Its vision is to bring about a long-term sustainable change in the lives of the under privileged through implementation of initiatives that have a clear societal impact, governed by its dedicated CSR Policy. As a responsible business corporation,

the Company addresses needs of the communities where it operates in and the society at large, in line with

the Sustainable Development Goals (SDGs) established by the United Nations.

CEAT's CSR Thrust Areas and CSR Expenditure in FY 2021-22 (₹ in Lacs)



Employee Volunteering

CEAT's motivated workforce with philanthropy as a core value is always ready to contribute to the CSR volunteering initiatives. This year CEAT's employees spent 3,191 hours in the volunteering activities.

Happiness Month and Donation Drive

CEAT has celebrated happiness month in December 2021. A donation drive was conducted in which, 925 volunteers have donated various basic and lifesaving amenities such as clothes, stationery and meals for Orphanage and Old Age Home.

2,640

Employees volunteered for:

Teaching community people
Art & Craft sessions
Awareness Sessions
Financial & Computer Literacy Programs
Environmental events and plantation through seedball
Donation Drive for Orphanage Home, Old Age Homes

Education

Pehlay Akshar

CEAT through Pehlay Akshar initiative works to impart functional English and other 21st century skills to empower every child with a learning mindset and by creating a safe spaces to help them in expressing themselves freely. Children and teachers are provided continued support and equipped with skills that help them learn better and teach better.

01 Pehlay Akshar Schooling

- Virtual in Class Interactions: 8500+ students benefited, 9 partner schools
- Magic Classroom on Television: 27 Lacs viewers with 420 videos
- A Story A Day: 2 Lacs students, 1000+ stories, 500+ Volunteers
- Virtual Schooling: 2000+ Students, 9 partner schools

02 Pehlay Akshar Training

- 2,226 teachers trained
- 690 Training Sessions
- 2,318 Sathi Sessions
- 117 Students participated in the Virtual Schooling Program

Success Story of Pehlay Akshar

"I would like to share how Pehlay Akshar has helped me to improve my English. I was not very confident, and I used to make a lot of mistakes. But Pehlay Akshar training and Saathi sessions have created safe spaces for us where we learn from our mistakes knowing that no one will judge us. Our Pehlay Akshar Facilitator, Sanon Ma'am encourages us to speak English as much as we can. Thank You to Pehlay Akshar team for giving us this place".

A participant/trainee under Pehlay Akshar.



Anant Goenka, Managing Director

"Caring for people is deeply embedded in our values which extends to all the stakeholders who are part of our ecosystem. We believe in adding value to their lives and businesses through initiatives like training our vendors, CSR activities for the community and developing a sustainable supply chain. CEAT's culture of customer centricity delivers a best-in-class customer experience throughout their purchase journey."

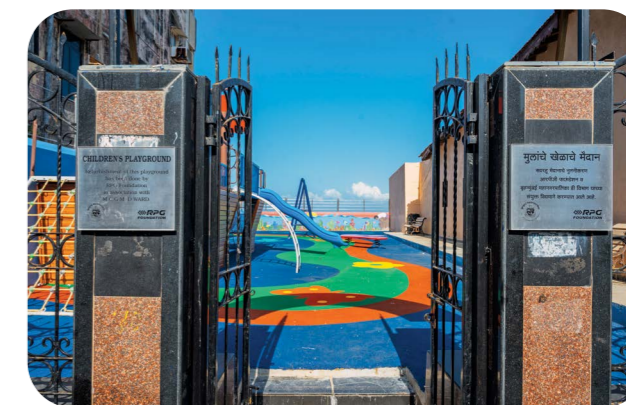
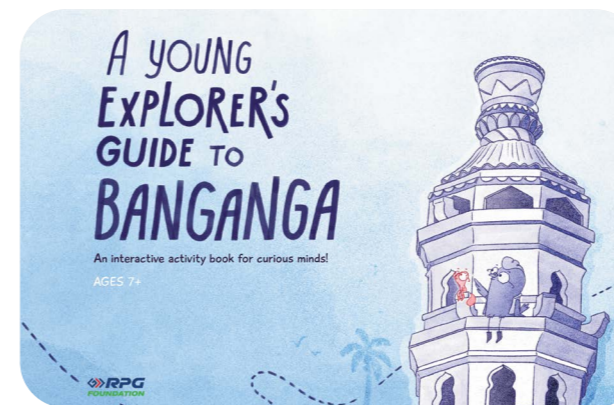


Heritage Revival

CEAT has undertaken the initiative for revival and restoration of Banganga Tank, Mumbai, to make heritage accessible to all and to uplift the community spaces around. This initiative is transforming heritage

themed civic amenities with installation of street furniture and informative signages. During the year, a mobile app, Amble was launched in association with Maharashtra Tourism Development Corporation (MTDC)

to accommodate the information of heritage locations. In addition, an interactive book has been published to create awareness on heritage conservation.



Vocational Skills Training

Swayam Health

Training to youth and women to become General Duty Assistants, Home Health Aides, Geriatric care Assistants, Pharmacy Assistants at hospitals, home-based healthcare organizations, and diagnostic centers.

IMPACT: 1,617 candidates trained; 1,484 recruited by various hospitals

Swayam Drive

Providing comprehensive training in driving, mechanics, spoken english, self-defense and people skills for customer interaction to women. These candidates work as couriers and delivery agents, taxi and auto-rickshaw drivers with various e-commerce businesses.

IMPACT: 564 candidates trained; 868 candidates employed

Success Stories

Turning Opportunity into Success

"I plan to support for my sister's Education and make her educated. I am thankful to RPGF, CEAT and Udyogwardhini for letting me to grow into a successful woman" - says Yogita

Yogita belongs to a low-income family. She has completed HSSC. She enrolled for Computer Hardware & Network course under Swayam Digital and got placed as a Technician with an enterprise after the completion of course.



Swayam Connect

A digital platform launched in 2021 with the goal to provide continued learning opportunities, access to jobs and upto- date information on government support schemes. This platform is used by more than 50 employers.

IMPACT: 7,000+ people joined so far and growing

Swayam Digital

Training to youth and women from marginalised communities in a variety of IT/ITES disciplines, including data entry, hardware networking and digital marketing and helping them in finding work in the IT/ ITES sector.

IMPACT: 878 candidates trained and 670 candidates have received the job opportunity.

Swayam Construction

Providing formal and comprehensive training for job roles, such as mason, electrician, scaffolder, in the construction sector.

IMPACT: 766 candidates trained and 605 candidates were employed



Story of a Responsible Daughter

"I am very thankful to RPGF, CEAT and Rise India foundation for providing wonderful opportunity for family support" - says Santoshi

To support her father, she took up two-wheeler driving training and got placed with an e-commerce enterprise.

Community Development

- 30 Streetlights installed for the communities around Chennai facility to accommodate safety and convenience.
- Medical equipment distributed at Govt. Primary Health Centers
- Vaccination drive rolled out for the communities around the operational facilities

COVID Management

- **25** Fever Clinics installed with National Health Mission
- **45** Oxygen Concentrators donated
- **140,549** - Patients visited Fever Clinics
- **92,922** - COVID Testing
- **5,412** - COVID Vaccination
- **24,000+** - People recieved other medical support



Dry Ration Kit Donated

- **600** ration kits were distributed : To provide relief to the population affected by flood in Chiplun
- **500** ration kits were distributed: To ensure that the families / labourers keep themselves safe during lockdown
- **1,125** Ration kits distributed to communities around Bhandup, Chennai and Ambernath








With **CEAT** tyres,
The **Kiger** will take
on every road,
No matter the palette



Management Discussion and Analysis

About CEAT Limited

CEAT, founded in 1958, is the tyre flagship Company of the RPG Group and is one of India's leading tyre Company driven by the purpose 'Making Mobility Safer and Smarter. Every Day'. CEAT has been providing world-class products for more than 60 years and has a geographical footprint in 110+ countries globally. CEAT produces best in class, high performance tyres for a wide range of vehicles, including 2/3 Wheelers, Passenger and Utility Vehicles, Commercial vehicles and Off-Highway Vehicles. CEAT has 6 manufacturing plants in Nashik, Mumbai, Ambernath, Nagpur (Maharashtra), Halol (Gujarat) and Chennai (Tamil Nadu). CEAT has dedicated state-of-the-art R&D centers at Halol, Gujarat and Frankfurt (Germany).

Global Economy

While the world economy has started gradually recovering from the impacts of COVID-19 it has experienced several other challenges, such as commodity inflation and supply chain disruptions during FY 22. Easing of COVID-19 restrictions across the globe led to increase in production and consumption by the later half of FY 22. Further, policy level adjustments by various countries have improved the overall economy and sentiment of people. However, during FY 22, due to the Omicron variant and the geopolitical conflicts, the global economy has witnessed a slowdown. The Russia-Ukraine conflict will bring about more challenges in the global supply chain. According to the World Economic Outlook of the International Monetary Fund (IMF), the Global GDP is expected to reduce from 5.9% in 2021 (January to December) to 4.4% in 2022 (January to December) and then further expected to slow down to 3.8% in 2023 (January to

December). Although this is slightly higher than the prior prediction, the improvement is mostly due to the mechanical uptick with improvements in vaccination rate worldwide in FY 22.

There would be some long-term impacts from the current geopolitical situation, such as high spending on defense, the structure of energy markets, potential fragmentation of payment systems and changes in the currency composition of foreign exchange reserves. However, with easing of supply-demand imbalances, rapid vaccination drives and collaboration of industry and stakeholders for working towards mitigation and management solutions, these economic disruptions will eventually ease out and synchronise to normal over the course of FY 23.

Source: Reserve Bank of India IMF, World Economic Outlook Update ATMA Ecosheet March 22



CEAT factory at Halol, Gujrat

United States

The United States and other developing economies have faced challenges of higher inflation mainly due to increasing energy cost and disruption in the supply chain. According to the forecast released at the Federal Open Market Committee meeting, U.S. GDP growth is at 4.4% in 2022. The growth rate is expected to dip to 2.6% in 2023 with a further slowdown to 2% in 2024. A revised assumption can be expected later in this year, assuming inflation should gradually decrease as supply-demand imbalances wane in the later part of 2022 and monetary policy in the United States responds. Further, increased geopolitical conflict between China and US will impact the import of semiconductors from Taiwan. The US economy's supply chain risk management system is an assurance to safeguard the supply chain from emerging threats and vulnerabilities to mitigate the risk. Thus, the US will overcome supply chain disruptions and increased spending by consumers will certainly boost the economy.

Source : World Economic Outlook, U.S. Bureau of Labour Statistics, USG Supply Chain Risk Management

Europe Economy

The EU economy was expected to pick up speed in the first quarter of the reporting year and stay strong during the year. Production was hampered due to logistical and supply obstacles, including shortages of semiconductors and some metal commodities. Energy cost inflation is projected to be higher for longer than predicted due to the Russia-Ukraine conflict.

Beyond the short-term turmoil, the fundamentals that sustain this expansionary era continue to remain strong. A growing labour market, high household savings, continuing favorable financing circumstances and the complete deployment of the Recovery and Resilience Facility ('RRF') will help to achieve growth in the near future. The RRF is the key instrument which will help the EU to emerge stronger and more resilient from the current crisis.

Source : European Commission Economic Outlook

Emerging Markets and developing economies

Rising COVID-19 cases due to emergence of new variants and partial withdrawals of macroeconomic support coupled with geo-political conflicts and supply chain disruptions continues to impact the economic recovery in emerging markets and developing economies.

Outlook

On an overall basis, developed and emerging economies continue to recover, but the pace of recovery will remain slow considering higher inflation, supply chain disruption, variants of COVID-19 and geo-political tensions largely between Russia and Ukraine, which propelled risks of outright supply losses. Global trade is expected to be moderate in FY 23 in line with the overall pace of the expansion. Easing down of pandemic and supply chain challenges towards the later part of the year, the pace of recovery of the overall global economy is expected to ramp up.

Global GDP Growth

Particulars	Estimate	Projections	
	2021	2022	2023
World	5.9	4.4	3.8
Emerging Markets	6.8	4.8	4.6
Advanced Economies	5.0	3.9	2.6
Euro Area	5.2	3.9	2.5
US	5.6	4.0	2.6
Japan	1.6	3.3	1.8
UK	7.2	4.7	2.3
China	8.1	4.8	5.2
India	9.0	9.0	7.1

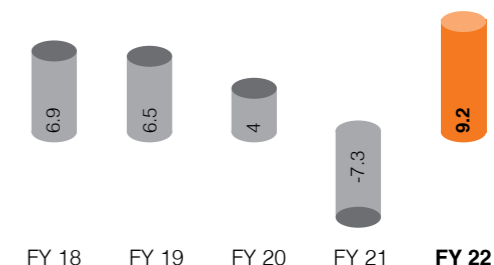
Source: IMF, World Economic Update

Indian Economy

India's projected economic growth for FY 22 has been downgraded as a result of the Russia-Ukraine War. Despite the slump, net foreign investors were drawn to India's financial markets and economy. The Reserve Bank of India revised the repo rate to 4.75% to support economic recovery. CPI inflation has been on an upward trend. The average CPI inflation for FY 22 was 6.95% as compared to 6.7% in the previous year. As the Russia-Ukraine conflict has supply-side concerns, higher crude oil prices are driving up India's import cost. The index of Industrial production ('IIP') (cumulative growth) from April 2021 to January 2022 was 13.7% Y-o-Y basis.

Source: ATMA Ecosheet Mar 2022 India Ratings

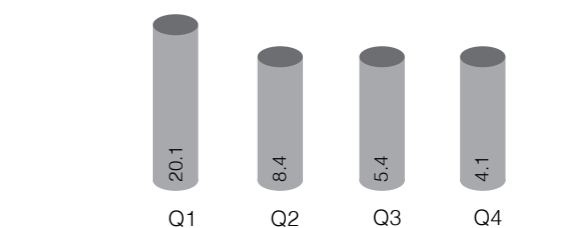
India's GDP Growth Rate (%)



* World Bank The Ministry of Statistics and Programme Implementation (MOSPI) Statista.com

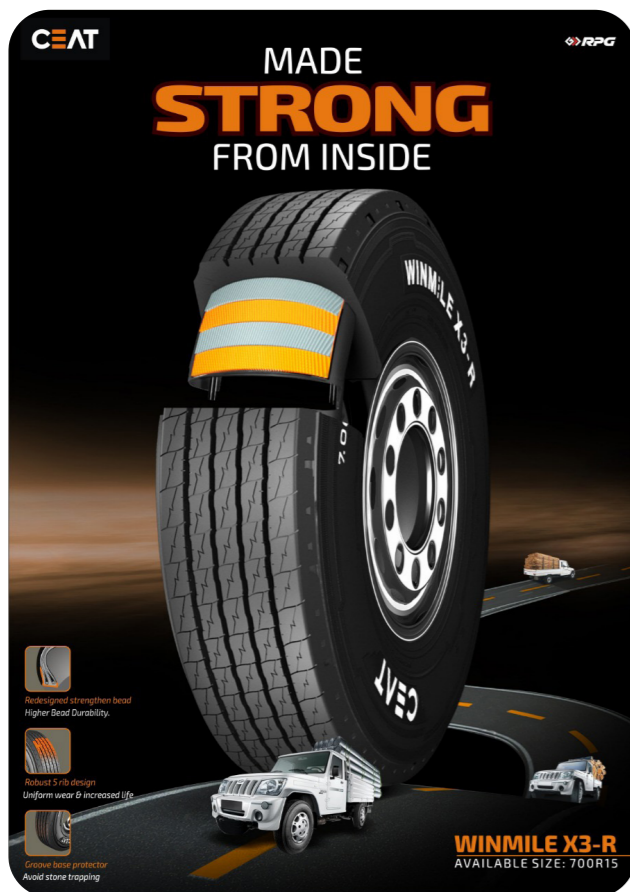
Source: RBI Policy 2022 IMF, World Economic Outlook Update

GDP Quarterly Growth Rate for FY 22 (%)



■ GDP Growth Rate Y-O-Y change FY 21 to FY 22

Source: The Ministry of Statistics and Programme Implementation (MOSPI)



Outlook

According to the IMF, India would expand by 9% in FY 23, due to the low base effect of the pandemic and high traction in vaccination efforts across the country. CEAT is optimistic about a rebound in discretionary spending as the Company observes a comeback in the economic activities. Domestic consumption is projected to remain stable as the eligible workforce adjusts to flexi-work arrangements that allow workers to work from their homes as well as their workplaces. Sectors that have been hit the worst by the lockdowns are expected to make a strong comeback with revival strategies post the pandemic.

Global Automobile Industry

Global demand has increased across Passenger Vehicle, Two-Wheeler and Three-Wheeler categories in 2021 (January to December) as compared to 2020 (January to December). However, continuing supply side challenges like semiconductor shortages, increase in cost due to higher commodity prices and higher logistics cost etc., have impacted overall sales in the auto industry. Industry is closely watching the possible impact of ongoing conflict in Ukraine as global supply chains could come under stress. Amongst major auto markets of the world, China has maintained its prominent position with total Motor Vehicle sales (Passenger and Commercial Vehicles) at 26.18 Million units in 2021 (January-December) as against 25.23

Million units in 2020 with a growth of 3.76% followed by USA registering sales of 15.07 Million units in 2021 (January-December) as compared to 14.54 units in 2020, with a growth of 3.64%. The industry might witness the impacts of external factors discussed above in the short run however it will regain its momentum in the following years.

Source: ATMA Ecosheet March 2022 ATMA Global Motor Vehicle sales report FY 22

Key Trends in Automotive Industry

The automotive industry trends have resulted in a major shift in customer choice for personal and public transportation in 2022 along with the COVID-19 impact and reveals information-centric technologies playing a central role in the future of the industry. The industry has been evolving with electric vehicles, autonomous vehicles and connected vehicles, to name a few. Along with product development, global OEMs have placed a strong emphasis on technical advancements like Artificial Intelligence ('AI'), Big Data and Analytics, Internet of Things ('IoT') and Blockchain in order to identify applications that would make cars more efficient and safer.

OEMs all around the world are establishing capabilities and setting the groundwork for a future of sustainable commutes by investing in sustainable automotive technology. Over the next few years, the focus will be on reducing reliance on fossil fuels and gradually shifting to hybrid and electric cars. Because of the cost savings and simplicity, Mobility as a Service ('MaaS') is gaining popularity. While COVID-19 forced shared mobility to take a back seat in the immediate future, the personal mobility and shared mobility spaces have good growth opportunities for the automotive industry.

Source: Global Automotive Industry Trends, ATMA Key Development Defining 2021

Outlook

The industry is hoping to normalise production and recover sales after the harshest year in recent history. It is expected that between 2020 and 2025, the industry will have to find ways of compensating for falling margins and rising investment. Manufacturers and suppliers should put users at the heart of their business model and offer them "easy" mobility solutions. It is estimated that autonomous vehicles will account for 40% of the personal mileage driven in Europe in 2030. Personal mileage is estimated to rise by 23% by 2030 to 5.88 Trillion kilometers in Europe. The usage intensity and service life of vehicles are expected to change dramatically as a result of electrification and sharing.

Indian Automotive Industry

High input cost, shortage of semiconductor, supply chain disruption and the Russia-Ukraine conflict has curtailed the growth of the Indian Automotive Industry during the later part of FY 22. Total vehicle retail sales have witnessed a decline. Even though demand for passenger vehicles continues to be rising, commodity inflation prevents buyers from making their preferred purchase vehicles. Commercial

Vehicles continue to grow by double digits compared to last year. However, the near-term scenario of the Indian auto industry remains challenging as the ongoing Russia-Ukraine conflict and China's lockdown would impact the growth projections.

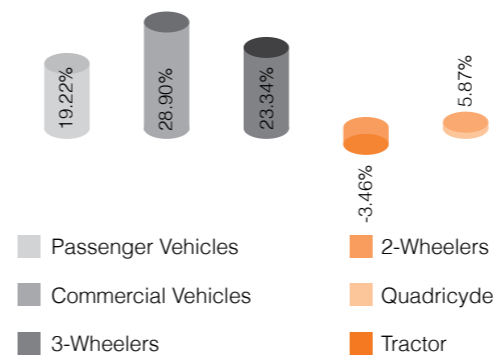
The lockdown relaxations with wedding season and re-opening of educational institutions and commercial offices have resulted in the pent-up demand coming in especially in the 2-Wheeler segment. The PV segment for the entire year saw high demand with low supplies due to the semiconductor shortage. The 3-Wheeler segment is witnessing a shrinking market. A tactical shift from ICE to EV is also visible in the Indian market.

Source: ATMA presentation March 2022

Production (Nos.)

Particulars	FY 22	FY 21
Passenger Vehicles	36,50,698	30,62,280
Commercial Vehicles	8,05,527	6,24,939
3-Wheelers	7,58,088	6,14,613
2-Wheelers	1,77,14,856	1,83,49,941
Quadricycle	4,061	3,836
Tractor	9,61,100	9,65,231

% Change in Automobile Production in FY 22 as compared to FY 21



Source: SIAM, Tractor and Mechanisation Association TMA

Domestic Sales (Nos.)

Particulars	FY 22	FY 21	% Change
Passenger Vehicles	30,69,499	27,11,457	13.2%
Commercial Vehicles	7,16,566	5,68,559	26.03%
3-wheelers	2,60,995	2,19,446	18.9%
2-wheelers	1,34,66,412	1,51,20,783	-10.9%
Tractors	9,27,342	9,88,028	-6.14%

Source: SIAM, Tractor and Mechanisation Association TMA

Budgetary Considerations

The Budget 2022 announced a Minimum Support Price ('MSP') payment of ₹ 2.73 Lacs Crores along with other aids to the farming sector. This will improve the demand for new vehicles in the rural markets. The production linked incentive ('PLI') announced by the government in 14 sectors will create 60 Lacs jobs and the potential to generate 30 Lacs crores production over the next 5 years under budget 2022-23.

Expansion of the network of national highways to 25,000 km in 2022-23 is one of the key focus areas. This measure is the key boost to the auto industry. 35.4% jump in CAPEX i.e., ₹ 7.5 Lacs Crores in 2022 compared to ₹ 5.5 Lacs Crores in 2021.

Outlook of Indian Automotive Industry

Due to labour shortages, raw material shortages and price increases, supply chain disruptions, lockdown limitations and unpredictable demand, the automotive industry, like the rest of the country's important manufacturing industries, is going through a time of instability. While the short-term outlook is murky, new OEM launches in key demand sectors, as well as a continued desire for personal mobility is good for the industry. The Indian PLI scheme is going to boost domestic manufacturing of advanced automotive technology and attract investment in the automobile and automotive value chain. PLI will create a long term and sustainable opportunity for the sector to evolve as a manufacturing destination. The Indian automotive industry is expected to grow 5 - 9% Y-o-Y in FY 23, after witnessing a decline for three consecutive years.

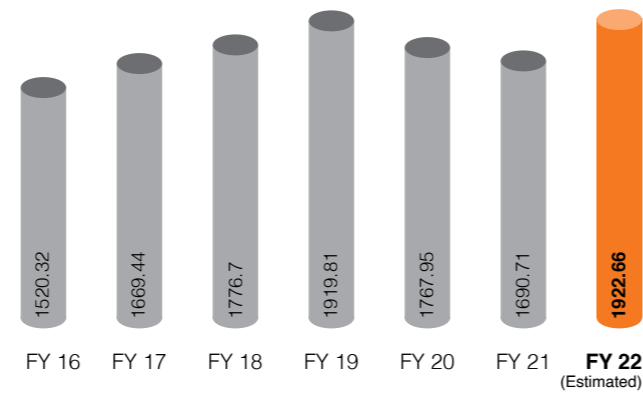
Source: PLI, PIB Press Release





The tyre industry has entered the age of Smart Tyres developing seamless connectivity between the digital and physical aspects of the product, which has brought a great positive impact on the overall quality, durability and reliability of the tyres. The emerging trend in the tyre industry is moving into the business model of product- as-a-service where technology plays a pivotal role.

Total Tyre Production



■ Production (In Lacs Nos.)

Imports and Exports:

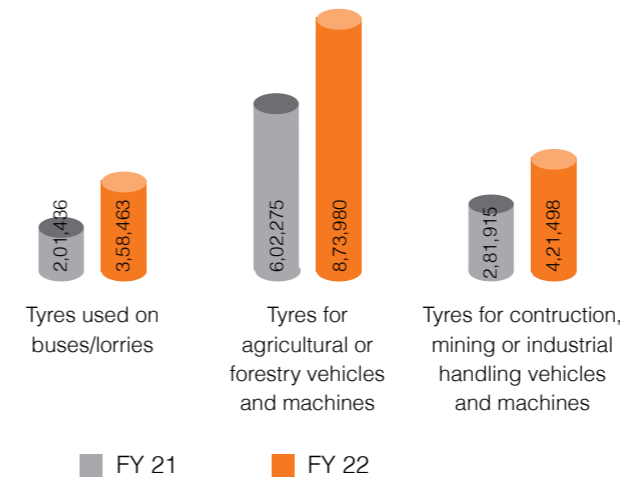
India's merchandise export and import has continued to show an increasing trend in FY 22 as well. India's merchandise exports in FY 22 were ₹ 1.8 Million Lacs, an increase of 55.42% over ₹ 1.1 Million Lacs, in FY 21. India's merchandise imports in FY 22 were ₹ 1.6 Million Lacs, an increase of 46.11% over ₹ 0.11 Million Lacs in FY 21, across 2-Wheeler, TBR, PCR, Agriculture and Construction.

According to the Government of India's Ministry of Commerce and Industry's trade database, tyre export has significantly expanded across all the segments of tyres. As shown in the graph below, exports for tyres of 2-Wheeler (motorcycles and scooters) is presenting an incremental trend, however the tyre exports for other kinds of 2-Wheelers other than motorcycles and scooters declined. Tyres of buses and lorries and tyres used in various sectors like agricultural and construction witnessed an increase in exports, given the rising demand for the Indian tyres in the world markets.

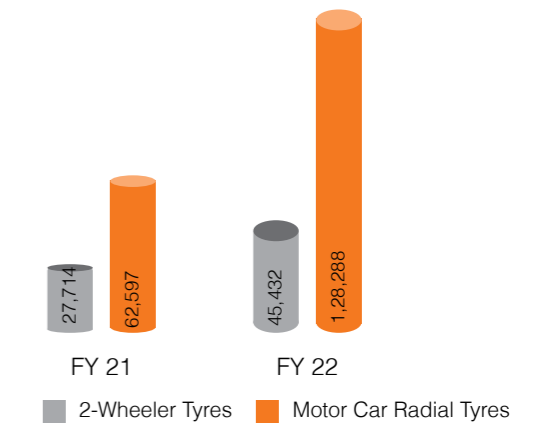


CEAT factory at Nagpur, Maharashtra

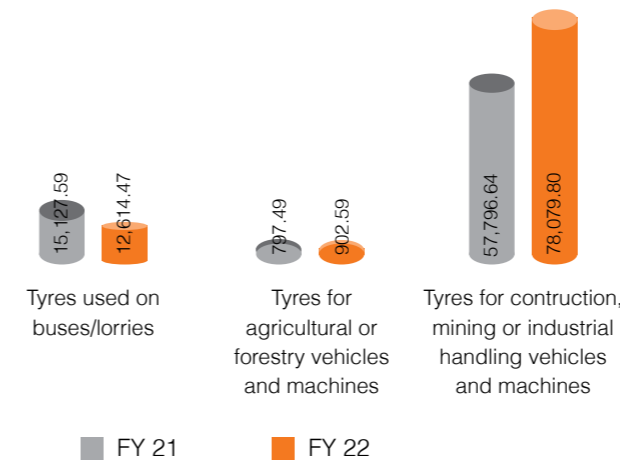
Indian Tyre Exports (₹ in Lacs)



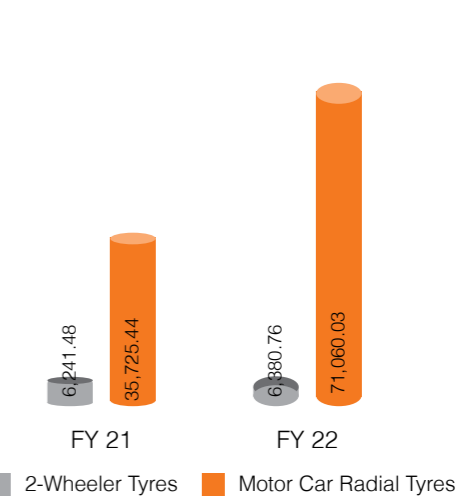
Indian Tyre Exports (₹ in Lacs)



Indian Tyre Imports (₹ in Lacs)



Indian Tyre Imports (₹ in Lacs)



Source: ATMA Ecosheet March 2022 Ministry of Commerce

Global Tyre Industry

While the impact of COVID-19 was severe across regions, the decrease in cases had a direct impact on tyre demand, given the recovery in economic activity and the increased preference for personal mobility in some areas. With the rapid vaccination campaigns in developed markets growth and business recovery was anticipated in FY 22, however, global growth is expected to slow after FY 23, to around 3.3% in the medium term, due to the ongoing geopolitical conflict and commodity inflation.

Indian Tyre Industry

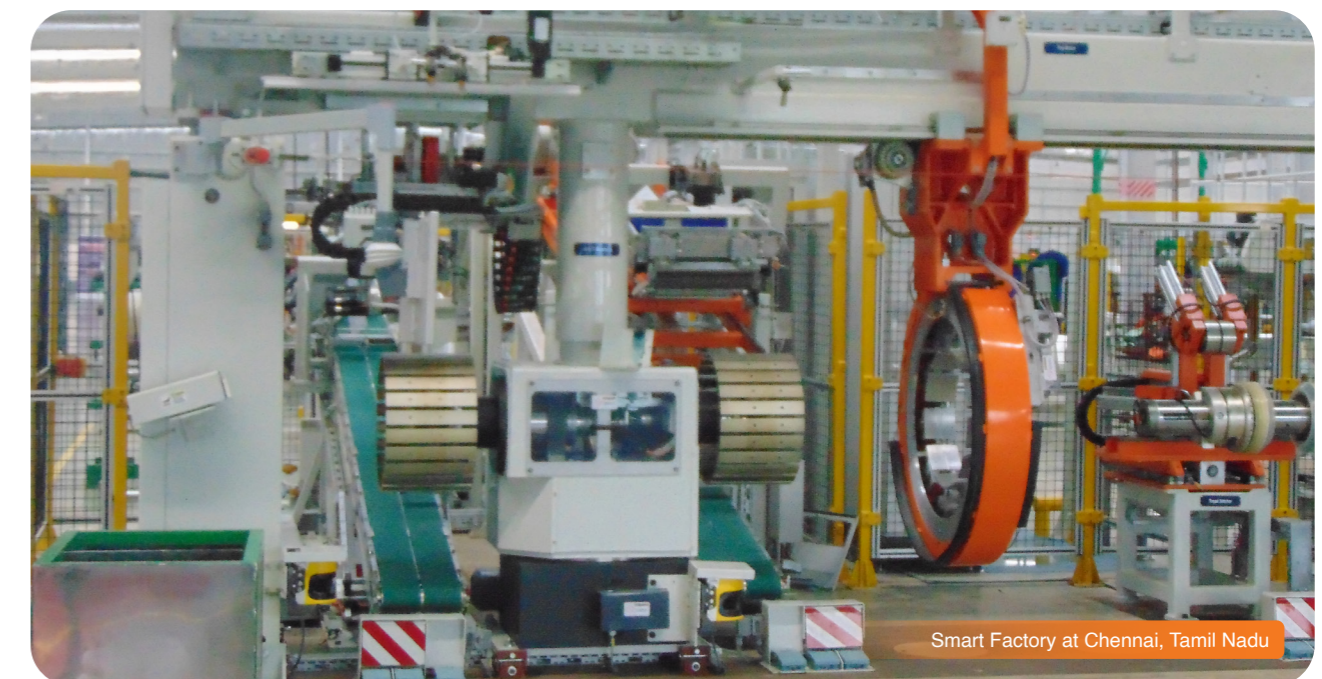
The impact of COVID-19 pandemic, supply chain disruptions and geo-political conflicts was evident on the Indian tyre industry in FY 22. The Indian tyre industry growth stagnated due to various external events in FY 21 as compared to FY 20. However, India is still on the trajectory to be one of the top 3 tyre manufacturing destinations in the Asia Pacific by 2026.

Passenger Car ('PCR') tyre exports increased by 200% in the first three quarters of FY 22, Truck and Bus Radial ('TBR') tyre exports has grown by 91%. Netherlands, Brazil and the US are the three largest importing countries for PCR tyres from India.

Source: ATMA Report

Key Factors Influencing the Indian Tyre Industry

The Indian tyre industry is embracing new trends in the manufacturing process to meet the changing market dynamics and cater to the latest demands of the Original Equipment Manufacturers ('OEMs'). The firms are increasingly moving towards sustainable initiatives to meet the growing demands of various stakeholders towards achieving the carbon emissions targets and the long-term sustainable goals.



Smart Factory at Chennai, Tamil Nadu

Raw Material Trends

Natural Rubber (NR) and other materials such as fabrics, synthetic rubber, carbon black, carbon black special resins, high performance silica, nylon cord, oil, zinc oxide, rayon and polyester cords, steel cords polybutadiene rubber and other rubber chemicals are the key raw materials used for production of tyres.

Source: World Business Council for Sustainable Development

Natural Rubber

Natural rubber is a sustainable resource that supports the livelihoods of millions of people all over the world. Natural rubber is the preferred raw material in many industries because of its unique qualities, when compared to other elastomers, including in synthetic rubber. With the diminishing sources of petroleum and increasing concern for the environment, natural rubber becomes more acceptable and in good demand. The natural rubber industry is large yet fragmented with multiple layers of raw material dealers, processing plants, rubber product makers and smallholder farmers. 70% of the world's natural rubber is used in tyre production.

During the current year, production of Natural Rubber in India continues to grow as compared to FY 21. The production of Natural Rubber has been impacted by heavy rain in Kerala during peak tapping season of October / November and due to decline in demand during the Omicron wave in December / January, but the overall production will be notch higher than FY 21. During the initial months of FY 22, consumption of Natural Rubber had picked up, with the recovery in the automobile market and then it has continued to move upward in line with production. Price of Natural Rubber has continued to witness an increasing trend in FY 22 like previous year. The Natural Rubber price had increased due to heavy rain during tapping season in Kerala, largest producer of Natural Rubber in India and fluctuating demand. The price of Natural rubber has witnessed a rate of ₹ 191 per kg and then it has now fallen 15% to ₹ 162 per kg.

Source: Indian Natural Rubber Money Control

Carbon Black

Carbon black constitutes 25% of the product weight and of the key raw materials utilised as a filler and a strengthening and reinforcing agent. The tyre and industrial rubber products segment are the largest user of Carbon Black and accounts for approximately 80% of the market share. According to the Association of Natural Rubber Producing Countries, the outlook for world demand on natural rubber is estimated to grow by 9.3% Y-o-Y to 14.1 Million tons in 2021. This scenario is expected to boost the market demand for carbon black globally in upcoming years.

Source: ATMA Reports

Indian Budget impact on Tyre Industry

The Union Budget FY 23 has not added any new corporate tax and has extended concessional 15% income tax for new manufacturing companies. This will help the growth of manufacturing sector especially since plans for setting up new units had to be delayed or shelved in view of pandemic. The Indian tyre industry has welcomed two major

announcements of the budget. The unveiling of a new battery-swapping programme will boost the EV ecosystem. Another announcement was the expansion plan towards the network of national highways by 25,000 km which will impact positively to the tyre industry in India.

The PLI scheme for the automobile and auto component industry, with an allocation of ₹ 25,938 Crores (\$3.5 Billion) for five years commencing FY 23, will incentivise investments in 105 new-age, advanced automotive technologies ('ATT') such as electronic power steering system, sensors, supercapacitors, ECUs, parts of EVs, hydrogen fuel cells and parts, adaptive front lighting, automatic braking, tyre pressure monitoring system and collision warning systems, among others.

PLI would provide the Indian automotive sector the boost it needs to become an appealing alternative supplier of high-end automobile components for multinational corporations wanting to de-risk their supply chains.

Source : Union Budget 2022-23, PLI and Indian Economic Survey Report 21-22

Outlook

After two years of contraction, the Indian tyre industry has recovered in FY 22. The growth in FY 22 is driven by increase in volumes. While the demand is favorable, higher input prices of key raw materials such as natural rubber, crude derivatives etc. will keep industry margins and earnings under pressure. On an overall basis, the Tyre Industry is expected to perform well mainly due to easing out of pandemic, increasing demand from OEMs and replacement segment.

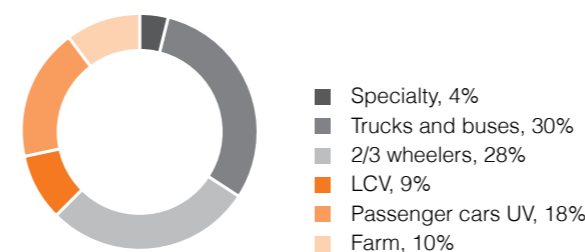
Business Review

CEAT is one of India's leading tyre Company with 60+ years of service. By converting every obstacle into opportunity, CEAT has ensured its strong brand position and presence in the Indian and global market. The Company reported consolidated net revenue from operations of ₹ 9,363 Crores, growth of 23% Y-O-Y. Revenue contribution from 2-Wheeler and Passenger Vehicles tyre segments has increased over the years from 38% in FY 16 to 46% in FY 22.

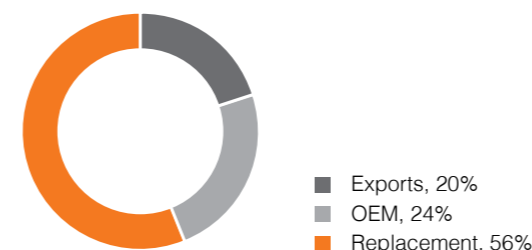
CEAT strives to innovate and leverage cutting-edge digital technologies to provide its clients with best-in-class goods and services. CEAT has taken an omni-channel approach to ensure tyre availability on all e-commerce platforms as well as its own website, online, home delivery options etc. CEAT has enhanced its relationship with OEM customers. CEAT is dedicated to delivering safer and smarter goods through customer-focused research and development.



Revenue Breakup by product: (FY 22)



Revenue breakup by Market (FY 22)



Capacity Expansion:

During FY 22, CEAT ramped-up capacity of its greenfield project in Chennai with a capacity to produce approximately 96 Lacs tyres per annum of Passenger Vehicle Radial Tyres when the project is fully completed. CEAT's brownfield project in Nagpur completed the first phase of expansion and the plant is now in phase two of expansion. CEAT's 2-Wheeler Tyre capacity would be approximately 2.7 Crores tyres per annum when the project is fully completed. Further



in FY 22, CEAT commenced construction of its new Truck Bus Radial tyre capacity at its greenfield project in Chennai. Approximately ₹ 5,200 Crores has been earmarked for capacity expansion projects and this includes investments made in Halol, Nagpur, Chennai and Ambernath capacity expansion. CEAT has made investments in its expansion projects. These projects are being funded through internal accruals and external borrowings. Once commissioned, these capacity enhancement projects will enable CEAT to meet its growth requirements.

SWOT	
<p>Strengths:</p> <ul style="list-style-type: none"> Strong Distribution Network R&D Team / Best in Class Products OEM presence in 2-Wheeler Segment Brand association with Safety Culture of collaboration and transparency New capacities to capture growth Process excellence – high level adoption of Total Quality Management 	<p>Weaknesses:</p> <ul style="list-style-type: none"> High Cost Structure Scale of the Company compared to competition in terms of revenue/ capacity
<p>Opportunity:</p> <ul style="list-style-type: none"> Large global tyre export market India growth in rural and semi-urban markets Emerging digital business models Changing mobility landscape 	<p>Threats:</p> <ul style="list-style-type: none"> Commodity price inflation Disruption due to geopolitical crisis and pandemic Competitive intensity in 2-wheeler market Currency fluctuations and non-tariff barriers destabilising international business

International Business

CEAT continues to be one of the major tyre exporters with a footprint across 110+ countries. During the current year, export sales have grown for the domestic tyre industry, owing to high tariffs on China products in the US, Europe and other developed countries. CEAT has entered several new markets such as Germany, France, Portugal, Slovenia, Israel, Malawi, Bahrain and El Salvador. The Company has marked 15% of its overseas revenue from Africa & Americas and expanding its footprint considerably by appointing large distributors. CEAT offers a wide range of products like summer range tyres, winter range tyres, ultrahigh performance tyres etc. and delivers superior performance to meet customer expectations. CEAT has appointed distributors in other countries also like El Salvador, Malawi, Madagascar and Bahrain during the year to expand its

export market. CEAT continued to strengthen its position in the 2/3 Wheeler market in Nepal, Africa and made an entry in Indonesia which is the largest market. CEAT is also focusing on expanding its product range and increasing its footprint in countries like Vietnam, Philippines and Cambodia etc. The Company had entered the Thailand and Oman markets with its Trucks and Bus Radials (TBR), globally benchmarked to the top performing products in the industry. The Company gets almost 20% of its revenue from overseas, with major contributions coming from Europe.

CEAT is very optimistic about its international business and truly believes that the growth in the export market will be driven with focus on best-in-class products, excellent channel relationship and brand development initiatives, both offline and digitally.

Source: Economic Times

Replacement Business:

4,600+

Dealers

475+

Distributors servicing over 51,000 sub-dealers

660

Special Channels

600+

Districts covered

Replacement Business*



Digital Initiatives to improve consumer experience

Introduction of new age customer centric features like home delivery of tyres, order online and pick up at store, AI based online warranty registration, Roadside assistance, WhatsApp based appointment bookings have led to improved customer experience. The initiatives have also helped create a higher level of engagement with end consumers and reduce the time required to service consumer complaints.



Digital Initiatives to improve engagement with channel

Revamped Dealer portal with introduction of several features such as spot claim resolution, digital payments, transparent and real time information and quick closure of commercials resulted in enhanced customer satisfaction.



Distribution 2.0

CEAT continued to expand its reach through the use of technology and ensure service at sub dealer level.



Expansion of CEAT Shoppe in major geographies

CEAT continued to improve the footprint of exclusive stores in key geographies that accounts for a bulk of passenger vehicle tyre sales. The Company has undertaken several initiatives like delivering tyres in the quickest possible time, improved branding and better service at CEAT Shoppe to provide a superior retail experience for the customers and channel partners.



CEAT Fleet Solutions

CEAT fleet solutions aspire to provide the most comprehensive solution for the fleet customers. It is one of the fastest growing business units within CEAT in the last 2-3 years and is already working with most of the largest fleets in the country today with a considerable share of business. Its efforts were recognised by the industry in 2021 when CEAT Fleet Solutions won the Mint Business Transformation Awards 2021.



Technology and R&D

At CEAT research and development, Innovation is at the core of product development philosophy. To meet future mobility requirements in the rapidly changing automotive industry, the organisation has further augmented its effort in innovation, digitalisation and sustainability which has helped CEAT to come out with radical concepts in designing and manufacturing of tyres enabled with digital technology, extended mobility, tyres with longer life, fuel-efficient environmentally friendly tyres which are key drivers for sustainable development and also aligns with Company's purpose of 'Making Mobility Safer & Smarter. Every Day'.

CEAT has established itself as a leading brand for the future of tyres with the incorporation of robust technology, strong focus on new industry developments and customer expectations with an agile and passionate team. Ongoing collaborative programs with premium institutes like IITs and Dresden University and working on joint projects with doctoral students have continued this year and have resulted in patented technologies. Strengthening of digitalisation and data analytics has helped the Company to further optimise product development time, increased collaborations with customers, cost optimisation and boost operational excellence

Business Outlook

CEAT has entered FY 23, amid uncertainty around the geopolitical conflict in Europe. The geopolitical conflict has further accentuated the inflationary trend of input material costs which were already at a multi-year high due to multiple factors, including global supply chain disruption post pandemic. Further, resurgence of the COVID-19 continues to be a threat to business and operations. A concrete prediction on the overall demand environment is unlikely

given the uncertainties around impact of geopolitical crisis and threat of the virus.

For the domestic tyre industry, export sales are likely to improve as the US and Europe continue with the high tariffs on imports from China. In the aftermarket segment, The Company will continue to strengthen its leadership position in 2-wheeler and the Company will strive to gain more market share in PCR and TBR. With the new capacities in Chennai, Nagpur, Halol and Ambarnath ramping up fast, supply does not appear to be a concern in the future. The Company continues to work on launching new and improved products, strengthening its distribution capability and improving brand recall, to improve market share in identified categories.

Outlook

With a dynamic pool of experts and dedicated researchers, CEAT is consistently focusing on identifying potential opportunities for growth and safe mobility. CEAT R&D's leadership team is focusing on product development and innovation through long term planning, customer centricity, sustainability, competency development, collaboration and digital technologies to meet the future mobility requirements in the rapidly changing automotive industry. For more information, please refer to the Intellectual Capital section.

Quality Assurance System

Quality Assurance ('QA') in CEAT encompasses the entire spectrum of the value chain, starting from raw material suppliers and product development to manufacturing operations, sales and customer quality. The QA function's role is to establish an assurance system and process to ensure heightened customer service by meeting their stated and unstated requirements. The management is made aware of the critical quality indicators across the business units and functions, by the QA function. The overall focus has been on implementing digital systems using Artificial Intelligence and Machine Learning techniques across the value chain, such that it makes the system more robust, efficient and effective. This also reduces human error and makes our critical resources available for more value-added actions across the chain.

A cross-functional Quality Council caters to ensuring quality for customers in the following ways:

- To have an outside-in view of the stated and unstated customer needs and provide strategic direction to proactively develop products and services.
- To review the adequacy of systems and processes related to critical and major customer complaints and further enhance its efficiency to enable early detection and prevention of causal factors along with facilitating horizontal deployment.
- To ensure functional alignment with an intent to achieve the stated objectives of CEAT Quality Assurance.

The cross-functional approach of QA at CEAT establishes proactive quality control through the implementation of zero-defect workstation, Statistical Process Control ('SPC') and Critical-to-Quality ('CTQ') audit systems. The QA departments prepare the organisation for OEM audits and approvals and interactions with all OEM customers pertaining to current and future projects. With the backing of CEAT's robust QA infrastructure, the Company continues to engage with domestic and international OEMs and facilitate approvals, thereby strengthening our market position.

For ensuring manufacturing quality, the focus is laid on the consistency of processes and product quality. The quality of a tyre is described in terms of its construction, reliability, its suitability for a specific purpose and the degree to

which it satisfies customers' needs. Consistent product quality along with continued R&D is the key to building and enhancing customer experience.

CEAT values the opinions and suggestions put forth by customers and our channel partners across the business units and factors the same into product and service enhancements. A unified 'voice-of-the customer' system has been developed which brings all customer concerns related to products and services onto a single platform. Automatic reports are generated and phenomena are assigned to relevant process owners and the closure of these is tracked at various review forums. The final effectiveness of the QA system is measured through an extensive customer satisfaction survey, conducted by external agencies.

Risk Management

The risk management process at CEAT begins with the identification of risks and an assessment of their impact, which is based on past trends and future projections. External perspectives were also considered to ensure coverage of all key existing and emerging risks. Thereafter, ways to mitigate these risks are identified and implemented as necessary. Risks are periodically re-evaluated and monitored along with emerging risks being added to the focus pool.

Risks and their mitigation

Margin Impact due to RM Price Volatility and inability to increase the prices to off-set the RM price increase

Fluctuating raw material prices can affect profit margins. Rising competition from domestic and international low-cost players as well as aggressive pricing behavior could impact profitability.

Mitigation

CEAT continues to explore a wider supplier base besides strengthening relationships with the existing suppliers to foster long-term association. Long-standing relationships with OEMs and the quality of CEAT's products have helped CEAT in brand recognition. CEAT continues its focus on channel expansion, enhanced after-sales service, superior quality products and associated warranties to help differentiate from the competition. Increased efforts to grow high margin profitable segments, judicious price increase, capacity development for new products and premium segment in new markets are all measures to help protect and improve the Company's margin profile. CEAT continues to challenge both domestic and foreign players with its deep domain knowledge, technology prowess, brand recall and reach.

Balance Sheet Ratios (unfavorable) impacting performance and Perception issues (Project Investments)

Increase in planned capital expenditure and investments may impact profit margins.

Mitigation

Sensitivity analysis is a regular exercise and investments are planned in a phased manner taking into consideration the market size and CEAT's share of business.

Cyber security risk

Increase in threat of attacks on CEAT IT systems and data.

Mitigation

CEAT periodically assesses the vulnerability of its system to cyber-attacks (risks) and takes preventive and detective measures to mitigate the same. External IT consultants have also been involved for specialist advice to secure systems from cyber-attacks. Business Continuity Plan (BCP) is developed and implemented for all IT platforms.

Risks and their mitigation

Single Source / Single Geography Suppliers

Risk of supply disruption and price volatility

Mitigation

CEAT is working to develop alternatives for all single source / single geography suppliers. Action is also being taken to develop alternate raw materials to mitigate this risk.

Geopolitical Disruption

Debt crisis, War, Trust deficit in inter-state relations and uncertainty is emerging as a big risk. This is leading to supply disruption and overall increase in prices including crude. GDP growth and inflation are negatively impacted due to this risk which may lead to drop in demand and increase in overall cost.

Mitigation

Proactive action is being taken in following areas to mitigate this risk:

1. Agility in Supply Chain
2. Balance sheet ratio review and action
3. Long term supply and demand plan
4. Entry into new geographies and OEM's/sizes

Environment, Occupational Health and Safety

CEAT constantly works towards creating a safe working environment for its people. It is committed to reduce accidents at work and occupational illnesses; and thereby, follows a proactive and systematic approach to identify occupational health & safety hazards and risks. On the environment front, CEAT functions on the principle of 'pollution prevention instead of control' and complies with all environmental laws.

Safety

CEAT has a 'zero accidents' policy. The Company has adopted British Safety Council's (BSC) Five Star Occupational Health and Safety Management System to benchmark with its own systems. CEAT has an agile approach for risk elimination at its worksites with the latest safety measures. All manufacturing plants are ISO 45001:2018 certified. Further, the Company takes appropriate measures to impart extensive training to its employees (including contractual); to adhere to the safety measures.

Occupational Health

CEAT aspires to have 'zero occupational illness cases' and thus, engages in cross-functional efforts to reduce occupational health hazards. The Company maintains that the Occupational Health Centres are operated by professionals round-the-clock. Further, CEAT provides ambulances and first aid facilities at all its plants and all its employees including the contract employees get periodic medical check-ups. The Company has institutionalised stringent COVID-19 safety measures and also ensured vaccination of majority of its people. The Company has implemented health & wellbeing programs for all level of employees.

Environment

CEAT is committed to value creation and all-round sustainable development and processes are designed to ensure the same. CEAT has targeted a goal of 50% reduction in its carbon footprint by the year 2030. Select measures that will aid the attainment of this target includes the use of green raw materials, use of briquette as fuel, network optimisation, light weight tyres and high recycling and recovery rates.

For further details and information on the sustainability initiatives of CEAT, refer to the Natural Capital section of this Annual Report.



CEAT follows the environment protection principle of 'reduce, reuse and recycle'. The Company has adopted several measures to maintain ecological balance around its production facilities.

Some of the environmental protection initiatives are:

- ISO 14001:2015 (Environment Management System) Certification for all manufacturing plants.
- Implemented projects to reduce freshwater consumption in manufacturing plants. The Nagpur, Chennai and Ambarnath Plants are 'Zero Liquid Discharge' Plants.
- Nashik, Bhandup and Nagpur Plants are certified for ISO 50001:2018 (Energy Management System)
- Implemented Rooftop Solar projects in Halol, Nagpur, Chennai and Ambarnath Plants.

For further details, refer to the Natural Capital section of this Integrated Annual Report.

Human Assets

CEAT acknowledges that its journey is the reflection of its agile teams, people centric culture and unwavering commitment to 'Making Mobility Safer and Smarter. Every Day'. The Great Place to Work® Institute recognised CEAT amongst India's Best Companies to Work for in FY 22 because of its disproportionate focus on continuous learning and development, employee engagement and wellbeing to foster a culture of openness and transparency. CEAT is also acknowledged among India's Best Workplaces in Manufacturing 2022.

CEAT's aspiration for diversity and inclusion is in its commitment to create a shared value with empowerment at its core. In FY 22, seven transgender employees have joined CEAT.

Please refer to the Human Capital section for detailed explanation on the initiatives launched to improve human and workplace satisfaction, gender diversity, workforce learning and development including up-skilling programmes, etc.

Internal Control Systems and their adequacy

CEAT has a well-placed, suitable and adequate internal control environment, commensurate with the size, scale and complexity of its operations. This environment provides:

- Assurance on orderly and efficient conduct of operations.
- Security of assets.
- Prevention and detection of frauds and errors.
- Accuracy and completeness of accounting records and timely preparation of reliable financial information.

First line

Management control: The line managers are directly responsible for ensuring the design and effective



implementation of the internal control framework at CEAT. The line manager carries out day-to-day operations within the boundaries defined by the management through its various policies and procedures, including the following:

- Employee Code of Conduct
- Whistle Blower Policy
- Entity Level, Operating Level and IT General Controls
- Delegation of Authority Matrix
- Policies and Standard Operating Procedures

Second line

The second line of Management oversight of CEAT is achieved through the following:

- Executive Committee (ExCom) meeting chaired by the Managing Director
- Operating Committee (OpCom) meeting chaired by the Chief Operating Officer
- Operation Reviews (MOR) by respective functional / business managers

Third line

The third line consists of the Governing Board and the Audit Committee. This independent assurance and oversight of internal controls is achieved through the following governing bodies:

1. Board of Directors
2. Audit Committee of the Board of Directors: Their oversight activities mainly include:
 - Reviewing financial reports and other financial information and communicating with the regulators
 - Reviewing CEAT's established systems and procedures for internal financial controls, governance and risk management

- Reviewing CEAT's statutory and internal audit activities

3. Risk Management Committee: This Committee reviews the 'Risk and mitigation plan' on a periodic basis.

The above three lines of defense are further strengthened by independent audits such as statutory audit, tax audit, cost audit and secretarial audit.

Discussion on Financial Performance and Key Financial Ratios

As required pursuant to the amended Listing Regulations, following are the key ratios having significant changes i.e., change of 25% or more as compared to the previous financial year:

- Interest Coverage Ratio
- Debt Equity Ratio
- Operating Profit Margin
- Net profit Margin

- Return on Net Worth
- Price Earnings Ratio
- Return on Capital Employed

Details of key financial ratios including the above and change in return on net worth, as compared to the immediately previous financial year along with detailed explanation thereof forms part of discussion on financial performance, appended to this Report.

Cautionary Statements

Statements in the Management Discussion and Analysis describing CEAT's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence CEAT's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.



CEAT factory at Nagpur, Maharashtra

The standalone financial statements, the analysis whereof is presented hereunder and in the following pages pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable Ind AS issued by the Institute of Chartered Accountants of India. The Management of CEAT Limited accepts the integrity and objectivity of these financial statements as well as various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements are reflected in a true and fair manner and also reasonably present the Company's state of affairs and profit for the year.

Balance Sheet

Property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and right-of-use assets (Net Block) (Note 3, 4 and 5)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Property, plant and equipment	5,11,706	4,55,681	56,025	12%
Capital work-in-progress	76,159	70,288	5,871	8%
Intangible assets	8,809	9,854	(1,045)	(11)%
Intangible assets under development	4,661	2,500	2,161	86%
Right-of-use asset	12,379	10,783	1,596	15%
Total	6,13,714	5,49,106	64,608	12%

Property, plant and equipment has increased due to the following reasons:

During the year, the Company has capitalised property, plant and equipment of ₹ 88,286 Lacs mainly consisting of Chennai, Halol and Nagpur plants as reduced by depreciation of ₹ 31,645 Lacs on property, plant and equipment for the year and disposal of ₹ 1,441 Lacs

Capital work-in-progress mainly includes the project capital expenditure towards capacity addition incurred at Halol, Nagpur, Ambernath and Chennai plants.

Intangible assets under development mainly comprises software development, majorly at Halol, Chennai and Nagpur plant.

Right-of-use assets arise out of outsourcing arrangements which primarily include warehousing, production of goods and generation of power.

Investments (Note 6)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Non-current investments				
Investments in subsidiaries and associates	11,789	11,409	380	3%
Other non-current investments	813	402	411	102%
Total	12,602	11,811	791	7%

The Company has made additional investment in associate TYRESNMORE Online Pvt Ltd - ₹ 380 Lacs (door-to-door delivery of tyres and tubes) and other Investment in Cleanwin Energy Five LLP - ₹ 60 Lacs and TP Akkalkot - ₹ 337 Lacs (purchase of power generated from renewable sources).

Other financial assets (Note 7 and 13)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Other non-current financial assets	959	891	68	8%
Other current financial assets	6,381	4,124	2,257	55%
Total	7,340	5,015	2,325	46%

Other current financial assets have increased mainly due to Nagpur Fiscal Grant receivable.

Other non-financial assets (Note 8 and 14)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Other non-current non-financial assets	5,588	4,636	952	21%
Other current non-financial assets	5,386	8,257	(2,871)	(35)%
Total	10,974	12,893	(1,919)	(15)%

Increase in non-current non-financial asset is mainly due to increase in capital advances against supply of assets for Halol, Chennai, Nagpur and Ambernath plants.

Other current non-financial assets comprise advance to vendors, prepaid expenses and balances with government authorities.

Inventories (Note 9)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Raw Materials	58,155	58,499	(344)	(1)%
Work-In-Progress	7,885	6,680	1,205	18%
Finished Goods (including stock-in-trade)	60,534	43,477	17,057	39%
Stores and Spares	2,077	2,594	(517)	(20)%
Total	1,28,651	1,11,250	17,401	16%

Raw material inventory as a measure of the cost of material consumed has reduced to 35 days as at March 31, 2022 from 40 days as at March 31, 2021 mainly due to lower inventory levels as at March 31, 2022.

The finished goods inventory (including traded goods stock) as a measure of the goods sold, is stated at 37 days as at March 31, 2022 and at March 31, 2021.

Trade Receivables (Note 10)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Trade receivables	1,15,287	92,226	23,061	25%

The receivables position for the current year is at 42 days sales outstanding as at March 31, 2022 as compared to 39 days sales outstanding as at March 31, 2021.

Cash and cash equivalents (Note 11)

(₹ in Lacs)				
Particulars	As at March 31, 2022	As at March 31, 2021	Change	Change %
Cash and cash equivalents	1,300	1,956	(656)	(34)%

Reduction is on account of lower current account balances as compared to previous year.

Balance Sheet**Borrowings (Note 18 and 22)**

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Non-current borrowings	1,71,916	1,34,104	37,812	28%
Current borrowings	35,224	5,604	29,620	529%
Total	2,07,140	1,39,708	67,432	48%

Non-current and current borrowings have increased by ₹ 67,432 Lacs due to additional borrowings for projects. Also commercial papers were issued aggregating ₹ 10,000 Lacs for additional working capital requirement.

Lease Liability (Note 4)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Non-current lease liabilities	8,047	6,690	1,357	20%
Current lease liabilities	5,162	4,807	355	7%
Total	13,209	11,497	1,712	15%

Lease liabilities arise out of outsourcing arrangements which primarily include warehousing, production of goods and generation of power.

Other financial liabilities (Note 19 and 24)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Other non-current financial liabilities	4,163	1,267	2,896	229%
Other current financial liabilities	80,837	80,791	46	0%
Total	85,000	82,058	2,942	4%

Other non-current financial liabilities has gone up due to higher capital creditors mainly for Chennai project

Provisions (Note 20)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Non current provisions	4,114	4,494	(380)	(8)%
Current provisions	12,479	10,758	1,721	16%
Total	16,593	15,252	1,341	9%

Increase in current provisions is mainly due increase in sales related obligation provision.

Trade Payables (Note 23)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Trade payables	2,15,500	1,83,587	31,913	17%

The trade payable position is at 88 days cost of goods sold outstanding as at March 31, 2022 as compared to 90 days as at March 31, 2021. The change is due to shorter credit period mix.

Other current liabilities (Note 25)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021	Change	Change %
Other current liabilities	11,454	10,910	544	5%

Statement of Profit and Loss

The following table sets forth the breakup of the Company's expenses as a percentage of revenue from operations (net)

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	2021-22	% of Revenue from operations	2020-21	% of Revenue from operations
Revenue from operations	9,31,263	100.00%	7,57,279	100.00%
Cost of material consumed	6,18,690	66.44%	4,17,376	55.12%
Purchase of stock-in-trade	756	0.08%	1,009	0.13%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18,234)	(1.96)%	6,743	0.89%
Gross Margin	3,30,051	35.44%	3,32,151	43.86%
Employee benefit expense	68,426	7.35%	66,713	8.81%
Other expenses	1,91,518	20.57%	1,68,059	22.19%
EBITDA	70,107	7.53%	97,379	12.86%
Other income	2,819	0.30%	3,180	0.42%
Finance costs	20,397	2.19%	17,305	2.29%
Depreciation and amortization expenses	43,514	4.67%	33,958	4.48%
Exceptional items	1,291	0.14%	3,406	0.45%
Profit before tax	7,724	0.83%	45,890	6.06%
Tax expense	2,291	0.25%	4,526	0.60%
Profit for the year	5,433	0.58%	41,364	5.46%
Other comprehensive income / (loss) for the year, net of tax	401	0.04%	(950)	(0.13)%
Total comprehensive income for the year	5,834	0.63%	40,414	5.34%

As compared to previous year:

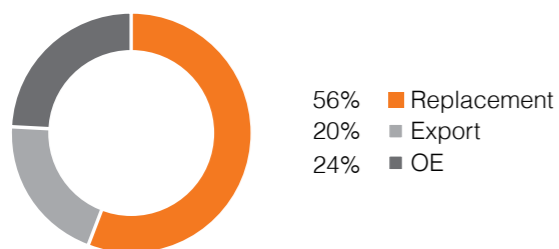
- Revenue from operations has increased by 23% due to favourable volume (~ 9%) and remaining attributable to price increase and change in product and customer mix.
- Gross margin has reduced by ~1% (in absolute terms) and 840 bps (in percentage terms) on account of increase in RM prices.
- EBITDA has reduced by 28% (in absolute terms) and reduced by 530 bps (in percentage terms) on account of reduced gross margins.

Revenue from operations (Note 26)

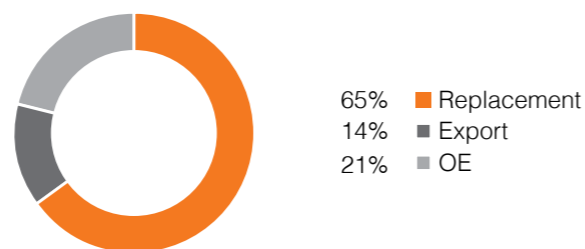
Particulars	(₹ in Lacs)		(₹ in Lacs)	
	2021-22	2020-21	Change	Change %
Sale of goods				
Automotive Tyres	8,39,607	6,76,673	1,62,934	24%
Tubes and others	68,497	72,357	(3,860)	(5)%
Royalty income	681	502	179	36%
Sale of scrap	5,328	4,237	1,091	26%
Other revenues	518	400	118	30%
Total revenue from contracts with customers	9,14,631	7,54,169	1,60,462	21%
Government grants	16,632	3,110	13,522	435%
Revenue from operations	9,31,263	7,57,279	1,73,984	23%

Sale of goods in value has increased mainly due to increase in volume.

BU wise sales composition 2021-22



BU wise sales composition 2020-21



Government Grant has increased mainly due to Chennai and Nagpur plant related incentives in current year.

Other Income (Note 27)

Particulars	2021-22	2020-21	Change	Change %
Other Income	2,819	3,180	(361)	(11)%

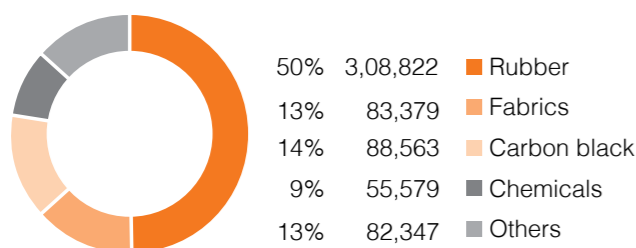
Other income has mainly decreased due to reduction in the interest on deposit income.

Cost of material consumed/ finished goods consumed analysis (Note 28 and 29)

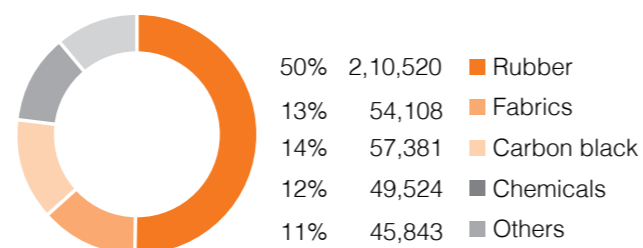
Particulars	2021-22	2020-21	Change	Change %
Cost of material consumed	6,18,690	4,17,376	2,01,314	48%
Purchase of stock-in-trade	756	1,009	(253)	(25)%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(18,234)	6,743	(24,977)	(370)%
Total	6,01,212	4,25,128	1,76,084	41%

Increase is on account of higher raw material price and increased production for the year ended March 31, 2022.

Raw material consumed 2021-22 (₹ in Lacs)



Raw material consumed 2020-21 (₹ in Lacs)



Movement of changes in Inventory is mainly on account of increase in finished goods stock as compared to the previous year. Inventory of finished goods is ₹ 60,362 Lacs as at March 31, 2022 as compared to ₹ 43,238 Lacs as at March 31, 2021.

Employee benefit expense (Note 30)

Particulars	2021-22	2020-21	Change	Change %
Employee Benefit Expenses	68,426	66,713	1,713	3%

Movement in employee benefit expenses is due to regular annual increments.

Finance Costs (Note 31)

Particulars	2021-22	2020-21	Change	Change %
Finance cost	20,397	17,305	3,092	18%

Increase in finance cost is attributable to increased year on year borrowings.

Depreciation and amortization expense (Note 32)

Particulars	2021-22	2020-21	Change	Change %
Depreciation on property, plant and equipment	31,645	26,056	5,589	21%
Amortization of intangible assets	3,374	3,080	294	10%
Depreciation on Right of Use Assets	8,495	4,822	3,673	76%
Total	43,514	33,958	9,556	28%

Depreciation on Property, plant and equipment has increased on account of higher capitalisations mainly in Chennai, Halol and Nagpur plants.

Other Expenses (Note 33)

Other expenses primarily include the following expenses, constituting 84% (Previous year 85%) thereof:

Particulars	2021-22	2020-21	Change	Change %
Conversion Charges	31,947	30,718	1,229	4%
Stores and Spares Consumed	9,511	7,769	1,742	22%
Power and Fuel	32,766	25,544	7,222	28%
Freight and Delivery Charges	41,440	40,334	1,106	3%
Repairs - Machinery	7,795	6,232	1,563	25%
Travelling and Conveyance	2,651	1,470	1,181	80%
Advertisement and Sales Promotion Expenses	16,424	17,120	(696)	(4)%
Professional and Consultancy Charges	5,946	4,207	1,739	41%
Training and Conference Expenses	360	397	(37)	(9)%
CSR Expenses	802	786	16	2%
Sales related obligations	11,257	8,018	3,239	40%
Bank Charges	278	299	(21)	(7)%

Variable costs such as stores and spares consumed, conversion costs, power and fuel, freight, etc. have increased due to increase in level of operations

Travel cost was lower for the year ended March 31, 2021 on account of COVID-19 restrictions and intermittent lockdowns. The increase in sales related obligation was mainly on account of higher revenue in FY 2021-22.

Exceptional Items (Note 34)

Particulars	2021-22	2020-21	Change	Change %
Exceptional Items	1,291	3,406	(2,115)	(62)%

Exceptional items were higher in year ended March 31, 2021 mainly on account of higher provision towards expenses / losses attributable to COVID-19 by ₹ 2,011 Lacs.

Tax expenses (Note 21)

Particulars	(₹ in Lacs)			
	2021-22	2020-21	Change	Change %
Tax expenses	2,291	4,526	(2,235)	(49)%

Effective income tax rate for the year 2021-22 is 29.67% as compared to 9.86% for 2020-21. FY 2021-22 Effective Tax Rate was lower due to set-off of losses in CEAT specialty business that was merged with CEAT in FY 2020-21.

Cash Flows*

Particulars	(₹ in Lacs)			
	2021-22	2020-21	Change	Change %
Net cash flow generated from operating activities	63,233	1,35,117	(71,885)	(53)%

Net cash flow generated from operating activities has decreased as compared to previous year due to following offsetting reasons:

- The cash operating profit before working capital changes has decreased mainly due to lower margins.
- Direct tax paid - (Net of refunds) has reduced by ₹ 3,105 Lacs due to lower profits. FY 2021-22 tax expense was lower due to set-off of losses in CEAT specialty business that was merged with CEAT.

Particulars	(₹ in Lacs)			
	2021-22	2020-21	Change	Change %
Net cash used in investing activities	(95,022)	(62,618)	(32,404)	52%

Net cash used in investing activities has increased mainly due to increase in capex (net) by ₹ 31,598 Lacs.

Particulars	(₹ in Lacs)			
	2021-22	2020-21	Change	Change %
Net cash flows (used in)/generated from financing activities	31,133	(72,788)	1,03,922	(143)%

Increase in Net cash flows for financing activities is mainly due to additional borrowings taken in current year.

* For details, refer cash flow statement

Ratio Analysis**Debtors turnover ratio (times)**

Particulars	2021-22	2020-21
	Debtors turnover ratio	8.75

Debtors turnover ratio is reduced in the current year as compared to previous year mainly on account of increase in debtors.

Inventory turnover ratio (times)

Particulars	2021-22	2020-21
	Inventory turnover ratio	9.93

Inventory turnover ratio has marginally increased in the current year as compared to previous year.

Interest coverage ratio (times)

Particulars	2021-22	2020-21
	Interest coverage ratio	3.09

Interest coverage ratio has decreased in 2021-22 as compared to the previous year mainly on account of decrease in earnings.

Current ratio (times)

Particulars	As at March 31, 2022	As at March 31, 2021
	Current ratio	0.71

The marginal decrease in current ratio is primarily due to increase in trade payables.

Debt Equity Ratio (times)

Particulars	As at March 31, 2022	As at March 31, 2021
	Debt equity ratio	0.66

Increase is mainly due to increase in borrowings pertaining to capital expansion projects as compared to the previous year.

Operating profit margin (%)

Particulars	2021-22	2020-21
	Operating profit margin	7.53%

Decrease in operating profit margin is mainly on account of reduction in gross margins / higher commodity cost.

Net profit margin (%)

Particulars	2021-22	2020-21
	Net profit margin	0.58%

Net profit margin has decreased in current year as compared to previous year due to steep increase in raw material costs that lead to drop in gross margins.

Return on net worth (%)

Particulars	2021-22	2020-21
	Return on net worth	1.72%

Return on net worth has decreased due to decrease in profit after tax.

Price earning ratio (times)

Particulars	2021-22	2020-21
	Price earning ratio	69.37

Earnings per share stood at ₹ 13 for the year ended March 31, 2022 registering a decrease by 87% as compared to year ended March 31, 2021. Closing share price was lower by 40% as compared to previous year.

Return on capital employed (%)

Particulars	2021-22	2020-21
	Return on capital employed	5.21%

Return on capital employed has decreased due to a decrease in earnings before interest and tax by 56% against which capital employed has increased by 15%.

To,
The Members of **CEAT Limited**,

Directors of the Company are pleased to present their Sixty-Third report, together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2022.

FINANCIAL SUMMARY AND HIGHLIGHTS

Standalone

Particulars	₹ in Lacs	
	FY 2021-22	FY 2020-21
Total Revenue	9,34,082	7,60,459
Total Expenses (excluding exceptional items)	9,25,067	7,11,163
Profit Before Taxation	7,724	45,890
Tax expense:		
- Current Tax	(1,810)	3,660
- Deferred Tax charge / (credit)	4,101	866
Profit for the period	5,433	41,364
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	592	391
- Income tax relating to the above	(149)	(98)
Items that will be reclassified to profit or loss:		
- Net movement in cash flow hedges	(56)	(1,759)
- Income tax effect on net movement in cash flow hedges	14	516
Total Comprehensive Income for the year	5,834	40,414

Consolidated

Particulars	₹ in Lacs	
	FY 2021-22	FY 2020-21
Total Revenue	9,37,481	7,62,341
Total Expenses (excluding exceptional items)	9,29,577	7,14,177
Profit Before Taxation	9,488	48,389
Tax expense:		
- Current Tax	(1,197)	4,184
- Deferred Tax charge / (credit)	3,627	975
Profit after tax, non-controlling interest and share of profit from Joint Venture	7,058	43,230
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	550	381
- Income tax relating to the above	(141)	(97)
Items that will be reclassified to profit or loss:		
- Net movement in cash flow hedges	(56)	(1,792)
- Income tax effect on net movement in cash flow hedges	14	516
- Net movement in foreign exchange fluctuation reserve	(4,569)	(1,365)
Total Comprehensive Income for the year	2,856	40,873

In the preparation of Financial Statements, no treatment different from that prescribed in the relevant Accounting Standards has been followed.

During the year under review, on a standalone basis, the Company recorded net revenue from operations of ₹ 9,31,263 Lacs, higher by 23%, compared to ₹ 7,57,279 Lacs of the last financial year. The Company recorded a net profit of ₹ 5,433 Lacs against a net profit of ₹ 41,364 Lacs of the last financial year. The Company's EBITDA stood at ₹ 70,107 Lacs, a decrease of 28% over EBITDA of ₹ 97,379 Lacs of the last financial year.

On a consolidated basis, the Company recorded net revenue from operations of ₹ 9,36,341 Lacs, higher by 23%, compared to ₹ 7,60,960 Lacs for the last financial year. The Company recorded a net profit of ₹ 7,058 Lacs, against a net profit of ₹ 43,230 Lacs of the last financial year. The Company's EBITDA stood at ₹ 73,854 Lacs, a decrease of 28% over EBITDA of ₹ 1,01,928 Lacs of the last financial year.

STATE OF COMPANY'S AFFAIRS

The year under review witnessed the significant impact of the second wave of the COVID-19 pandemic on the livelihood of people as well as on the business scenario. Despite the challenges, the Company achieved a higher revenue as compared to last year, due to higher offtake across segments and a volume growth of about 9%. However, margins remained under acute pressure owing to the impact of steep increase in raw material prices and supply chain disruptions due to geo-political and pandemic related factors.

The Company worked towards better management of working capital and borrowings with continued focus on controlling the ongoing capital expenditure and operating cashflow along with adopting best practices in digitization of business processes.

The Company continued to focus on growing its reach in local as well as global markets. The Company operates 6 (six) manufacturing facilities at Mumbai, Ambarnath, Nashik, Nagpur, Halol and Chennai and has a network of more than 4600 dealers, 475+ distributors and over 51000+ sub-dealers. During the year under review, the Company enhanced its production at the Chennai facility for Passenger Vehicle tyres. During the year under review, the Company has not changed its nature of business. The Company currently has representative offices in Indonesia, United Arab Emirates, Philippines and Germany.

There was emphasis on technology upgradation and R&D for the existing as well as new products which helped in developing about 279 new products during the year, continuing the focus on new and innovative materials and breakthrough product development from the R&D centres

at Halol, Gujarat and Frankfurt, Germany. During the year 23 patent applications were filed by the Company.

With regard to sustainability, the Company had institutionalized its purpose through the adoption of a purpose statement in 2015 and has been working consistently to improve on its goals. Further progress on this front and various initiatives being taken under the ambit of ESG are more particularly described under the six capitals as reported in this Integrated Annual Report.

The Competition Commission of India ('CCI') on February 2, 2022 has released its order dated August 31, 2018 on the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturers' Association concerning the contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 Lacs on the Company. The Company has filed an appeal against the CCI Order before the Hon'ble National Company Law Appellate Tribunal (NCLAT). The Company believes that it has a strong case.

More details on the Company's business vis-à-vis the overall industry, economy, markets and future outlook, etc. are given in the Management Discussion and Analysis section which forms part of this Integrated Annual Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the close of the Financial Year as on March 31, 2022, to which the Financial Statement relate and the date of this Report.

DIVIDEND

Considering the profits for the year under review and keeping in view capital expenditure requirements of the Company, your Directors are pleased to recommend the dividend of ₹ 3 (i.e. 30%) per equity share of face value ₹ 10 each for the Financial Year ended March 31, 2022.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the Dividend Distribution Policy which is available at <https://www.ceat.com/investors/corporate-governance.html>

TRANSFER TO RESERVE

As permitted under the Companies Act, 2013, the Directors do not propose to transfer any sum to the General Reserve pertaining to FY 2021-22.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

At the end of the year under review, the Company had the following 5 (five) subsidiaries namely Rado Tyres Limited, Kochi, India, Associated CEAT Holdings Company (Private) Limited, Colombo, Sri Lanka, CEAT AKKHAN LTD, Dhaka, Bangladesh, CEAT Specialty Tyres B.V, Netherlands, CEAT Specialty Tires Inc., USA and 2 (two) associate companies namely Tyresmore Online Private Limited, Delhi, India and Greenzest Solar Private Limited, Mumbai, India.

On April 20, 2022 the Company incorporated a wholly owned subsidiary, 'CEAT Auto Components Limited', which is proposed to carry out the business of manufacturing, selling, marketing, exporting, importing of auto components for all categories of vehicles and any other mode of transportation.

Rado Tyres Limited

During the year under review, Rado Tyres Limited ('RTL') reported an operating income of ₹ nil Lacs and other income of ₹ 20 Lacs mainly from interest on Fixed Deposits (previous year ₹ 200 Lacs mainly from sale of its non-current assets) and a net profit of ₹ 1 Lac (previous year profit ₹ 65 Lacs).

Since the Company has no other activity, the accounts of RTL for the financial year under review has not been prepared on a going concern basis.

OVERSEAS SUBSIDIARIES

Details of Associated CEAT Holding Company (Private) Limited, Sri Lanka and CEAT AKKHAN LTD, Dhaka, Bangladesh are given below under the heads 'Joint Venture in Sri Lanka' and 'Joint Venture in Bangladesh'.

Joint Venture in Sri Lanka

Associated CEAT Holdings Company (Private) Limited ('ACHL'), the Company's investment arm in Sri Lanka, has a 50:50 joint venture company viz. CEAT-Kelani Holdings Private Limited which operates 4 (four) manufacturing plants through its wholly owned subsidiaries in Sri Lanka.

During the year under review, ACHL registered a revenue of LKR 48 Lacs (₹ 17 Lacs) higher as compared to LKR 7 Lacs (₹ 3 Lacs) in FY 2020-21. The profit after tax for FY 2021-22 has decreased by 13% to LKR 8,503 Lacs (₹ 3,116 Lacs) as compared to LKR 9,750 Lacs (₹ 3,786 Lacs) in FY 2020-21. ACHL's joint venture continues to enjoy the overall market leadership in all categories of tyres in Sri Lanka. ACHL has been consistently paying dividends and it has during the year under review, paid a dividend of ₹ 1,581 Lacs to the Company.

The economic situation remains fragile in Sri Lanka, having a bearing on supply chain, import clearances and raw material prices amongst others. The Company is closely monitoring the same and taking relevant mitigation steps.

Joint Venture in Bangladesh

CEAT AKKHAN LTD ('CAL') is a 70:30 joint venture of the Company in Bangladesh. CAL is locally selling CEAT branded automotive tyres. For the year under review, the

revenue of CAL was BDT 15,693 Lacs (₹ 13,702 Lacs) as compared to BDT 14,396 Lacs (₹ 12,375 Lacs) in FY 2020-21. The net loss for the year under review was BDT 332 Lacs (₹ 209 Lacs) as compared to the net profit of previous year BDT 50 Lacs (₹ 4 Lacs).

CEAT Specialty Tyres B.V., Netherlands

During the year under review, CEAT Specialty Tyres B.V., Netherlands ('CSTBV') registered a revenue of Euro 8.81 Lacs (₹ 762.99 Lacs) higher as compared to Euro 3.32 Lacs (₹ 287.56 Lacs) in FY 2020-21. The profit after tax for FY 2021-22 has increased by 129% to Euro 0.55 Lacs (₹ 49 Lacs) as compared to Euro 0.24 Lacs (₹ 22.54 Lacs) in FY 2020-21. During the year under review, CSTBV paid a dividend of EUR 1,16,930 to the Company.

CEAT Specialty Tires Inc., USA

During the year under review, CEAT Specialty Tires Inc., USA ('CSTI') registered a revenue of USD 11.82 Lacs (₹ 880.94 Lacs) higher as compared to USD 6.98 Lacs (₹ 518.12 Lacs) in FY 2020-21. The profit after tax for FY 2021-22 has increased by 657% to USD 0.53 Lacs (₹ 39.61 Lacs) as compared to USD 0.07 Lacs (₹ 5.83 Lacs) in FY 2020-21. During the year under review, CSTI paid a dividend of US \$ 85,000 to the Company.

ASSOCIATE COMPANIES

Tyresmore Online Private Limited

During the year under review, the Company invested an amount of ₹ 380 Lacs through the subscription of 20,417 Compulsorily Convertible Preference Shares of the face value of ₹ 1 each (Rupee One Only) of Tyresmore Online Private Limited ('TNM'), thereby holding 49.83% of the total share capital of TNM.

During the year under review, TNM registered a revenue of ₹ 1,022 Lacs a growth of 59% over previous year revenue of ₹ 642 Lacs and a net loss of ₹ 448 Lacs in FY 2021-22 (previous year ₹ 404 Lacs).

Greenzest Solar Private Limited

As per the Power Purchase Agreement and Share Subscription and Shareholders' Agreement signed with Greenzest Solar Private Limited in 2020, the Company has invested to acquire 28% shareholding in Greenzest.

During the year under review, Greenzest registered a revenue of ₹ 784 Lacs as compared to previous year ₹ 545 Lacs revenue and a net loss of ₹ 16 Lacs in FY 2021-22 (previous year profit of ₹ 80 Lacs).

A statement containing the salient features of the subsidiaries, associates and joint ventures in the prescribed Form AOC-1 is annexed separately.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013 and Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies, associate companies and joint ventures of the Company, forms part of this Integrated Annual Report. The

Consolidated Financial Statements have been prepared as per the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Members of the Company appointed Ms. Priya Nair (DIN: 07119070) as an Independent Director of the Company for a term of 5 (five) consecutive years effective from October 27, 2020 to October 26, 2025, at the Annual General Meeting ('AGM') held on September 14, 2021. Mr. Paras K. Chowdhary (DIN: 00076807), Independent Director tendered resignation w.e.f. September 3, 2021 from the position of Independent Director since in his assessment, in view of future developments in certain transactions, if were to be successfully concluded, could have been perceived to be in conflict with his office as an Independent Director in the future. Thereafter, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Paras K. Chowdhary (DIN: 00076807) as Non-Executive Non-independent Director of the Company w.e.f. October 25, 2021 and the Members of the Company approved the said appointment vide an Ordinary Resolution passed through Postal Ballot on January 9, 2022.

The Board at its meeting held on March 15, 2022 considered and approved the re-appointment of Mr. Anant Goenka (DIN: 02089850) as the Managing Director for a period of 5 (five) years w.e.f. April 1, 2022 to March 31, 2027 subject to the approval of the Members at the ensuing Sixty-Third Annual General Meeting of the Company.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. H. V. Goenka (DIN: 00026726) retires by rotation and being eligible offers himself for re-appointment.

Apart from the above, there were no changes in the Directors and the Key Managerial Personnel ('KMP') of the Company, during the year.

Remuneration received by Managing / Whole-time Director from holding or subsidiary company

Mr. Anant Goenka (DIN: 02089850), Managing Director and Mr. Arnab Banerjee (DIN: 06559516), Chief Operating Officer do not receive any profit related commission from the Company or any of the subsidiaries of the Company as prescribed under Section 197(14) of the Act. No other remuneration is received by them from the subsidiary company (ies).

Pursuant to the applicable provisions of section 197 of the Companies Act, 2013 read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in view of the insufficiency of profits of the Company for the year 2021-22, excess remuneration of ₹ 147.26 Lacs of Mr. Anant Goenka shall be payable subject to approval of the Members. The Nomination and Remuneration Committee and the Board of Directors duly recommended payment of the same and it is being placed at the ensuing Annual General Meeting as detailed out in the explanatory statement thereof.

Company's Policy on Directors' appointment and remuneration

The Board has put in place a policy on Director appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director as required under Section 178(3) of the Companies Act, 2013.

The Nomination and Remuneration Policy, inter alia, is directed to work as guiding principles on qualifications, positive attributes and independence for the appointment of a Director, remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel, performance evaluation of all Directors and achieving the benefits of having a diverse Board.

During the year under review, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021, the Policy was revised as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The detailed policy is available at <https://www.ceat.com/investors/corporate-governance.html> and is also annexed to this Report.

Declaration of independence and statement on compliance of Code of Conduct

All Independent Directors of the Company have provided the declaration of independence as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, Independent Directors of the Company have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2015.

The Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. The Directors are compliant with the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as applicable.

Statement regarding the opinion of the Board concerning integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

In the opinion of the Board, Ms. Priya Nair (DIN:07119070) who was appointed by the Members of the Company during the year under review, is the person of integrity and has the relevant expertise and experience as required under the Nomination and Remuneration Policy of the Company.

Such expertise and experience help in making informed decisions and guide the Board for the effective functioning of the Company.

Evaluation of Board, its Committees and Directors

As required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees, Chairperson and individual Directors.

For the purpose of evaluation for FY 2021-22, the Company engaged an external agency to facilitate the process of an online confidential survey using the questionnaire finalised by the Nomination and Remuneration Committee based on the criteria of evaluation. The results of the survey / feedback were then deliberated and evaluation of the Board, its Committees and the Directors was carried out by the Nomination and Remuneration Committee and the Board at their respective meetings, as prescribed under the law.

Meetings of the Board of Directors

During the year, 5 (five) Board Meetings were convened and held on May 5, 2021, July 21, 2021, October 25, 2021, January 19, 2022 and March 15, 2022. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Committees

As required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed all the statutory committees namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Stakeholders' Relationship Committee and the Risk Management Committee. Besides, the Company also has a Finance and Banking Committee. Detailed information about these Committees and relevant information for the year under review are given in the Corporate Governance Report.

There have been no instances where the Board did not accept the recommendations of its committees, including the Audit Committee.

BUSINESS RISK MANAGEMENT

The Company has constituted a Risk Management Committee in compliance with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of this Committee and its terms of reference are set out in the Corporate Governance Report, which forms part of this Integrated Annual Report.

The Company has also formulated the Risk Management Policy to identify risks and minimise their adverse impact on business and strives to create transparency which in turn enhances the Company's competitive advantage.

According to the aforesaid business risk policy, the Company has identified the business risks associated with its operations and an action plan for mitigation of the same is put in place. The business risks and its mitigation have been dealt with in the Management Discussion and Analysis Section of this Integrated Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has formed a Corporate Social Responsibility ('CSR') Committee under the provisions of the Companies Act, 2013.

Detailed information about composition of the Committee, details of meetings held, attendance etc. along with the details of the corporate Social Responsibility Policy developed and implemented by the Company and CSR initiatives taken during the year pursuant to Section 135 of the Companies Act, 2013, is given in the Annual Report on CSR activities, as annexed to this Report.

The Board at its meeting held on May 5, 2022 enhanced the scope of this Committee and renamed it as 'Sustainability and Corporate Social Responsibility Committee' and amended the terms of reference of the Committee appropriately.

More details on CSR activities undertaken by the Company are provided under the Social and Relationship Capital and forms part of this Integrated Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

According to Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted vigil mechanism in the form of Whistle Blower Policy, to deal with instances of fraud or mismanagement, if any. The Policy can be accessed at <https://www.ceat.com/investors/corporate-governance.html>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details as applicable concerning particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 are provided in the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Related Party Transactions for the identification and monitoring of such transactions. The said Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Related Party Transactions were placed before the Audit Committee as prescribed under Section 177 of the Companies Act, 2013, although no such transactions attracted the provisions of Section 188 of the Companies Act, 2013. As such, there are no particulars to be disclosed in the prescribed Form AOC-2.

SHARE CAPITAL

The paid-up equity capital of the Company as on March 31, 2022 was ₹ 4045.01 Lacs. The said shares are listed on the BSE Limited and the National Stock Exchange of India Limited. There was no change in the paid-up capital of the Company, during the year under review.

NON-CONVERTIBLE DEBENTURES

The Company has its Non-Convertible Debentures of value ₹ 25,000 Lacs listed on the debt segment of the National Stock Exchange of India Limited, which were issued in the year 2020-21.

EXTRACT OF ANNUAL RETURN

In view of the amendments to Section 92 and Section 134 of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT-9 is not required to be published if the Annual Return of the Company is placed on its website. The Company has placed the Annual Return of the Company on its website at <https://www.ceat.com/investors/shareholder-information.html> and accordingly the extract is not being published in the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

During the year under review, the Company invested in and implemented a range of energy conservation initiatives. These comprised of retrofitting of old equipment, utilisation of energy efficient equipment and lighting and alternate fuels such as piped natural gas. Through such stewardship, the Company has nearly doubled its energy savings, over the last few years. Additionally, the Company also made use of energy from biomass and solar energy to increase share of renewable energy mix in the overall energy consumption resulting in saving of 51,141 GJ of energy. The Company has committed capital investment of ₹ 2,684 Lacs on energy conservation equipment.

More information on conservation of energy is provided under 'Natural Capital' section which forms part of this Integrated Annual Report.

Research and Development (R&D) and Technology Absorption

The Company has dedicated state-of-the-art R&D centres at Halol, Gujarat and Frankfurt, Germany. The Company has always been focusing on innovation, product diversity and technology to create sustainable and future ready products and solutions that are safer, smarter and better in every respect. New technologies have been developed in the spheres of green technology, nano technology, advanced material and novel processing. Several new initiatives were taken up such as developing new epoxy resin, biomaterials, new accelerator, alternative source of natural rubber and

nano materials for tyre compounds, which are meeting requirements related to grip, rolling resistance and noise. The Company also developed processing techniques like single step mixing, continuous mixing, latex stage mixing. The Company's raw material development focus resulted in substitution of many of the imported raw materials with indigenous ones. Developments have also been made in biomaterials and biodegradable wrap for packaging, instead of plastic packaging, which will contribute to environmental sustainability. Total of 23 patent applications for the FY 2021-22 were made.

The Company has proved its Technological prowess through continuous thrust on innovation, faster product developments, process efficiency and cost reduction to develop 279 new products across various categories and geographies globally. Details of expenditure on Research and Development are as under:

Particulars	₹ in Lacs	
	FY 2021-22	FY 2020-21
Capital expenditure	1,325	2,072
Revenue expenditure	10,520	8,418
Total	11,845	10,490

More information on R&D and technology absorption are provided under 'Intellectual Capital' section which forms part of the Integrated Annual Report.

Foreign Exchange Earnings and Outgo

Particulars	₹ in Lacs	
	FY 2021-22	FY 2020-21
Foreign exchange earned	1,80,060	1,07,241
Foreign exchange used	2,01,205	1,36,519

PARTICULARS OF EMPLOYEES

The statements required under Section 197 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this Report and will be made available to any Member on request, as prescribed therein.

The prescribed particulars of employees required under Rule 5(1) of the said Rules are annexed to this Report.

FIXED DEPOSITS

The Company being eligible to accept deposits from the public, under Section 76 of the Companies Act, 2013 and Rules made thereunder, approved the Fixed Deposit Scheme during the FY 2014-15, for acceptance of deposits from Members and persons other than Members, under the Special Resolution passed by the Members at the AGM of the Company held on September 26, 2014. The Company thereafter discontinued its Fixed Deposit Schemes and repaid all the outstanding fixed deposits along with interest accrued up to September 30, 2016, in FY 2016-17.

The Company has not accepted any fresh deposits during the year under review. As on March 31, 2022, the Company has no deposits outstanding, except as required statutorily and which have been unclaimed at the end of the year under review.

As such there were no defaults in respect of repayment of any deposits or payment of interest thereon.

DIRECTORS' RESPONSIBILITY STATEMENT

According to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and belief, states that:

- The applicable Accounting Standards have been followed in the preparation of the annual accounts along with the proper explanation relating to material departure, if any.
- Such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss for the said Financial Year ended March 31, 2022.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.
- The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- The system to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and are operating effectively.

INTEGRATED ANNUAL REPORT

Since the Financial Year 2019-20, the Company has been publishing Integrated Annual Report, based on the International Integrated Reporting Council's ('IIRC') Framework. Year on year, the Company through the Integrated Report is endeavoring to communicate its integrated thinking and how its business creates sustained value for stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate section on Management Discussion and Analysis, as approved by the Board, which includes details on the state of affairs of the Company, forms part of this Integrated Annual Report.

Further, the Corporate Governance Report including the general shareholder information, as prescribed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved by the Board of Directors together with the certificate from the Secretarial Auditor (Practising Company Secretaries) confirming the compliance with the requirements of the Listing Regulations also forms part of this Integrated Annual Report.

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on the Business Responsibility Report, as approved by the Board, which includes principles to assess compliance with environmental, social and governance norms for the year under review forms part of this Integrated Annual Report.

AUDITORS

Statutory Auditors

M/s S R B C & Co LLP were appointed as the Statutory Auditors of the Company at its 55th Annual General Meeting (AGM) held on September 26, 2014 and thereafter re-appointed for the second term at the 58th AGM held on August 8, 2017 to hold office till the conclusion of the ensuing 63rd AGM of the Company to be scheduled in 2022.

Pursuant to the provisions of the Section 139 of the Companies Act, 2013 the Audit Committee and the Board at their meetings held on May 4, 2022 and May 5, 2022 respectively reviewed and recommended the appointment of M/s B S R & Co. LLP as the Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the 63rd AGM till the conclusion of the 68th AGM to the Members of the Company for approval.

Accordingly, an item for appointment of M/s B S R & Co. LLP as the Statutory Auditors of the Company for a period of 5 (five) years is being placed at the ensuing AGM for approval of the Members.

Information about the proposed appointment of M/s B S R & Co. LLP is given under the Notice of AGM, which forms part of this Integrated Annual Report.

Secretarial Auditors

The Company appointed M/s Parikh & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the Financial Year ended March 31, 2022, as prescribed under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report in the prescribed Form MR-3 for FY 2021-22 furnished by M/s Parikh & Associates is annexed to this Report.

There are no qualifications, disclaimers, reservations or adverse remarks made either by the Statutory Auditors in the Auditor's Report or by the Company Secretary in practice (Secretarial Auditor) in the Secretarial Audit Report.

Internal Auditors

As prescribed under Section 138 of the Companies Act, 2013, M/s KPMG carried out internal audit of the Company along with M/s Moore Stephen Singhi for carrying out internal audit of locations like Regional Office Zone and outsourcing units for FY 2021-22. The internal audit was completed as per the scope defined by the Audit Committee from time to time.

Cost Record and Cost Auditors

During the year under review, in accordance with Section 148(1) of the Companies Act, 2013, the Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s D. C. Dave & Co., Cost Auditors of the Company for FY 2021-22.

The Board of Directors re-appointed M/s D. C. Dave & Co., Cost Accountants, (Firm Registration No. 000611) as Cost Auditors of the Company for FY 2022-23 and recommends ratification of the remuneration by the Members at the ensuing AGM, according to the provisions of Section 148 of the Companies Act, 2013.

SECRETARIAL STANDARDS

The Institute of Company Secretaries of India ('ICSI') has currently mandated compliance with the Secretarial Standards on board meetings and general meetings, as revised w.e.f. October 1, 2017. The Company is generally in compliance with applicable secretarial standards read together with circulars issued by MCA during pandemic.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

During the year under review, no frauds were reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals, Statutory and quasi-judicial bodies, impacting the going concern status and Company's operations in the future.

INTERNAL FINANCIAL CONTROL

Details in respect of adequacy on internal financial controls concerning the Financial Statements are stated in the Management Discussion and Analysis Section which forms part of this Integrated Annual Report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on Prevention of Sexual Harassment of women at Workplace and 9 (nine) Internal Complaints Committees have been set up to redress complaints. During the year under review, 2 complaints were received and the same were closed.

ACKNOWLEDGMENT

Your Directors place on record their appreciation for the continued support and co-operation received from its Central Government, State Government, Customers, Suppliers, Dealers, Banks, Financial Institutions, Employees and the Members towards conducting the business of the Company.

On behalf of the Board of Directors

Place: Mumbai
Date: May 5, 2022

H. V. Goenka
Chairman

Annexure to the Board's Report

Nomination and Remuneration Policy

1. Introduction / Objective

This policy has been formulated in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees and Board diversity.

This Policy sets out the guiding principles on:

- appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel;
- qualifications, positive attributes and independence for appointment of a Director and assessment of independence of Independent Director (ID);
- performance evaluation of all Directors;
- core skills / expertise / competencies required of the Board of Directors of the Company;
- Board Diversity.

2. Definitions

- "Applicable Laws"** means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- "Board"** means Board of Directors of the Company.
- "Company"** means CEAT Limited.
- "Directors"** means Directors of the Company.
- "Independent Director" (ID)** shall have the same meaning as defined under Section 149(6) of the Act read with rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- "Non-executive Directors" (NED)** means a member of a Company's Board of Directors who is not in whole-time employment of the Company.
- "Key Managerial Personnel" (KMP)** mean:
 - the Chief Executive Officer (CEO) or the Managing Director (MD) or Manager;
 - the Company Secretary (CS);
 - the Whole-time Director (WTD);

- the Chief Financial Officer (CFO);
- Such other officer, designated as key managerial personnel by the Board, who is in whole-time employment at a level not more than one level below the directors.

- Senior Management Personnel (SMP)** for the purpose of this Policy means officers / personnel who are members of the core management team excluding Board of Directors and normally comprising of all members of Management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Managers and shall specifically include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. Diversity in the Board of Directors

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that everyone is unique. These aspects include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills with a view to achieve a sustainable development, the Company shall aim to increase diversity at the Board level as an essential element in terms of:

- Experience of diverse nature;
- Gender in having the right representation of female members to also ensure statutory compliance as applicable;
- Qualifications, Knowledge and core skills / expertise competencies required of the Board of Directors in context of Company's business / sector.

Diversity at the Board level shall be used a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

The Company is committed to meritocracy and shall respect diversity within the Board members and shall have an inclusive culture where all view shall be heard and all opinions respected.

4. Requirements Relating to Directors

A. Appointment of Directors

The Nomination and Remuneration Committee ("NRC") shall evaluate the balance of skills, knowledge and experience on the Board and for this purpose, NRC shall also consider factors such as qualification and experience, positive attributes, disqualification, etc. Basis such evaluation, NRC may also prepare a description of the role and capabilities required for an ID.

For the purpose of identifying suitable candidates for Independent Directorship, the NRC may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

The Company shall upon recommendations of NRC, appoint those persons as Director who possess requisite qualifications and experience and positive attributes within overall framework of diversity as described in this Policy.

B. Qualifications and Experience

- Any person to be appointed as a Director on the Board of Directors of the Company, including Independent Director shall, in addition to a formal professional qualification should possess appropriate skills, experience and knowledge in one or more fields viz. CEO / Senior Management Experience, General Management and Business Operations, Business Development, Strategy M&A / Restructuring, Accounting / Finance / Legal, Risk Management, Public Policy, sciences, actuarial sciences, banking, finance, economics, law, management, sales, human resource, marketing, administration, research, corporate governance or technical operations etc., or such other skills as may be identified by the Board of Directors, on recommendation from NRC, from time to time.
- Any person to be appointed as a Director on the Board of the Company shall be such person who shall be able to provide policy directions to the Company including directions on good corporate governance.

C. Positive attributes

The person to be appointed as a Director of the Company shall, in addition to the formal qualifications and relevant experience described in this Policy, shall also possess the attributes such as integrity, leadership, business orientation, commitment and proven track record and such other attributes, which in the opinion of the NRC are in the interest of the Company.

D. Disqualification

Any person to be appointed as Director shall not possess any disqualifications as prescribed under the Applicable Laws.

E. Evaluation

- The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.
- The Board shall evaluate, every year, its performance along with that of the individual directors including Chairman, IDs, independence of IDs and of its Committees.
- The Company may appoint an external agency to conduct the exercise of evaluation and submit the report / outcome to the Company, in the manner desired by the Company.

F. Familiarisation Programme

The Company shall familiarise the independent directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company through various programmes.

5. Requirement relating to Key Management Personnel and Senior Management Personnel

A. Appointment of KMP and SMP

- Based on the recommendation of NRC, the appointment of the MD, CEO, WTD, CFO and the CS shall be approved by the Board of Directors by means of a resolution.
- KMP and SMP shall be employed by the Company only on a whole-time basis and they will not be permitted to take up employment anywhere else, except in the subsidiary of the Company with prior approval of the Board of Directors.
- The appointments of SMP shall be approved by MD. Remuneration payable to SMP shall be recommended by the NRC and approved by the Board.

B. Qualifications and experience

- i. Any person to be appointed as KMP or as SMP shall possess relevant educational, professional qualifications, experience and domain knowledge required for performing the job for which they are appointed.
- ii. There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP.

C. Positive Attributes

- i. KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organisation.
- ii. KMP and SMP shall meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

D. Performance Evaluation

- i. MD / CEO shall carry out the performance evaluation of all the SMPs and KMPs excluding himself/herself and the WTD.
- ii. The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP / SMP.
- iii. Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

6. Remuneration**Guiding Principles**

- i. The terms of employment and remuneration of MD, WTD, KMPs, Directors and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.
- ii. The Remuneration Policy shall ensure that:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c) Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long-term performance objectives and goals set by the Company.

d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

- iii. While determining the remuneration and incentives for the MD / WTD, KMPs and SMPs, the following shall be considered:
 - a) Pay and employment conditions with peers / elsewhere in the competitive market.
 - b) Benchmarking with the industry practices.
 - c) Performance of the individual.
 - d) Company Performance
- iv. For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- v. The pay structures shall be appropriately aligned across levels in the Company.

7. Remuneration Policy**A. MD / WTD**

- i. Remuneration to the MD and WTD at the time of his / her appointment shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company or Central Government, whenever required and shall not exceed the limits mentioned under applicable laws.
- ii. Annual increments / subsequent variation in remuneration to the MD and WTD shall be approved by the NRC / Board of Directors, within the overall limits approved by the shareholders of the Company or Central Government.
- iii. Remuneration shall be evaluated annually against performance and a benchmark of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognised compensation service consultancies.
- iv. Total remuneration for the MD and WTD shall comprise of the following:
 - a) Salary (both fixed and variable);
 - b) Perquisites;
 - c) Performance linked Bonus;
 - d) Retirals benefits.

It shall be ensured that total remuneration payable to MD and WTDs shall not exceed the limits mentioned under the applicable laws.

B. NEDs

- i. NEDs shall be entitled to such sitting fees as may be decided by the Board from time to time for attending the meeting of the Board and of the Committee thereof.
- ii. NEDs shall also be entitled for payment of remuneration / commission as may be recommended by NRC and subsequently approved by the Board of Directors, up to the limits permitted under the Applicable Laws and wherever required approval of the shareholders of the Company shall be obtained from time to time.
- iii. IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- iv. NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

C. SMPs and KMPs (other than MD / WTD)

- i. Remuneration packages shall be designed in such manner that:
 - a) Motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives and goals over the short and long-term.
 - b) Attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.
- ii. Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits as per the policy of the Company, considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions.
- iii. The remuneration in whatever form payable to the KMPs and SMPs at the time of his / her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be a combination of fixed and variable pay.

- iv. Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices / trends shall also be given due consideration. Annual increment / subsequent variation in remuneration to the KMPs / SMPs shall be approved by the NRC / the Board of Directors.
- v. Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognised compensation service consultancies.
- vi. NRC may consider grant of Stock Options to KMPs and SMPs pursuant to any Stock Option Plan adopted by the Company.

D. Director and Officer Liability Insurance

- a. The Company may provide an insurance cover to Directors, KMPs and SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust and the premium paid on the same shall not be treated as a part of remuneration paid to them.
- b. The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

8. Disclosures

This Policy shall be disclosed on the Company's website and a web-link thereto shall be provided in its Annual Report.

9. Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure to the Board's Report

Annual Report on CSR Activities for FY 2021-22

1. A brief outline of the Company's Corporate Social Responsibility (CSR Policy), including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

As a responsible business corporation, the Company takes pride in implementing CSR activities to address key societal needs, both in the communities the Company operates in and society at large. The Company's CSR activities are aligned to the Sustainable Development Goals (SDGs)* established by the United Nations and the Company is working towards influencing micro and macro level development indicators in target geographies. The Company delivers CSR activities through partnerships with civil society organisations and local Government bodies and supports projects in accordance with the CSR Policy read with Schedule VII of the Companies Act, 2013. The Company also encourages its employees to volunteer and participate in its CSR activities, thereby building a culture of social responsibility and giving them an opportunity to give back to the communities they live with.

The CSR Policy is available on the link :- <https://www.ceat.com/investors/corporate-governance.html>

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Anant Goenka	Chairman – CSR Committee (Managing Director)	4	4
2.	Mr. Vinay Bansal	Member – CSR Committee (Independent Director)	4	4
3.	Mr. Paras K. Chowdhary*	Member – CSR Committee (Non-executive, Non-independent Director)	4	3
4.	Ms. Priya Nair**	Member – CSR Committee (Independent Director)	4	2

*Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

**Inducted as member w.e.f. September 3, 2021

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

<https://www.ceat.com/investors/corporate-governance.html>

<https://www.ceat.com/corporate/csr-landing.html>

4. Details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Not Applicable	

6. Average net profit of the Company as per Section 135(5):

Net Profit	₹ in Lacs
2018-19	43,637.32
2019-20	30,760.97
2020-21	45,944.59
Average of last years	40,114.29

7. (a) Two percent of average net profit of the Company as per Section 135 (5): ₹ 802.29 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: None

(c) Amount required to be set off for the Financial Year, if any: None

(d) Total CSR obligation for the Financial Year (7a+7b-7c). ₹ 802.29 Lacs

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 698.48	₹ 103.81 Lacs	April 27, 2022	N.A.	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Project Duration	(7) Amount allocated for the project (in ₹ Lacs)	(8) Amount spent in the current Financial Year (in ₹ Lacs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lacs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Education: Pehlay Akshar Schooling 2021-22 Pehlay Akshar Teachers Training 2021-22	Item No. (ii) - Promoting Education	Yes	Maharashtra	Mumbai	1 year (excluding the FY 2021-22 in which it commenced)	194.72	125.22	69.50	No	RPG Foundation	CSR000000030
2.	Employability: Vocational skill training: Swayam Health 2021-22 Swayam Drive 2021-22 Swayam Digital 2021-22 Swayam Construction 2021-22 Swayam Skills 2021-22 Swayam Connect 2021-22	Item no. (ii) - Employment enhancing vocational skills	Yes	Maharashtra; Gujarat; Tamil Nadu	Mumbai; Nagpur; Nashik; Thane; (Maharashtra) Panchmahal; (Gujarat); Chennai; (Tamil Nadu)	1 year (excluding the FY 2021-22 in which it commenced)	467.09	445.24	21.85	No	RPG Foundation	CSR000000030
3.	Heritage: Revival and restoration of Banganga 2021-22	Item no. (v) - Protection and restoration of National Heritage	Yes	Maharashtra	Mumbai	1 year (excluding the FY 2021-22 in which it commenced)	74.21	61.75	12.46	No	RPG Foundation	CSR000000030
Total							736.02	632.21	103.81			

Note: The said projects/ programmes being run on an ongoing basis by RPG Foundation, the implementing agency, are identified to be multi-year projects.

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹ Lacs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Community Development: Covid Response 21-22	Item no. (i) Item no. (xii) - Promoting healthcare including preventive healthcare and Disaster management	Yes	Maharashtra	Mumbai; Nashik Nagpur; Ahmednagar; Bhandara; Dhule; Gondia; Jalgaon; Nandurbar; Sindhudurg; Thane; Wardha; Yavatmal (Maharashtra)	66.27	No	RPG Foundation	CSR000000030
Total						66.27			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year:
(8b+8c+8d+8e) (in ₹ Lacs) 698.48 Lacs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹ Lacs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	802.29
(ii)	Total amount spent for the Financial Year	698.48
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if Any			Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any
				Name of the Fund	Amount (in ₹).	Date of transfer.	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**(a) Date of creation or acquisition of the capital asset(s):** Not Applicable**(b) Amount of CSR spent for creation or acquisition of capital asset:** Not Applicable**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:** Not Applicable**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):**

As provided under Section 135 of the Companies Act, 2013 and Rules made thereunder, the actual disbursement for FY 2021-22 to the implementing agency was less than the amount of mandatory spend, to the extent of such amount which has been earmarked for ongoing projects and accordingly deposited in the Unspent CSR Account maintained by the Company as mentioned in point no. 8 (a) of this Annual Report on CSR Activities for FY 2021-22.

For CEAT Limited

Anant Goenka
Chairman - CSR Committee
(Managing Director)
DIN: 02089850

Vinay Bansal
Member – CSR Committee
(Independent Director)
DIN: 00383325

Annexure to the Board's Report

Particulars of Employees

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended March 31, 2022

Sl. No.	Particulars	Name of the Director	Ratio of the remuneration of each director to the median remuneration of the employees of the Company ⁽¹⁾	Percentage increase/decrease in remuneration of each Director ⁽²⁾
i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. H. V. Goenka	13.74	(90)
		Mr. Anant Goenka (MD) ⁽³⁾	232.05	96
		Mr. Arnab Banerjee (ED)	112.17	(14)
		Mr. Atul C. Choksey	5.39	(11)
		Mr. Mahesh S. Gupta	7.00	(10)
		Mr. Haigreve Khaitan	4.92	(19)
	The percentage increase / decrease in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer, Company Secretary (CS) or manager, if any, in the financial year;	Mr. Paras K. Chowdhary	6.62	(16)
		Mr. Vinay Bansal	7.38	(8)
		Ms. Priya Nair ⁽⁴⁾	5.49	81
		Mr. Kumar Subbiah, CFO		29
		Ms. Vallari Gupte, CS		16
ii)	The percentage increase in the median remuneration of employees in the financial year ⁽¹⁾ ;	(4)		
iii)	The number of permanent employees on the rolls of the Company as on March 31, 2022;	7,622		
iv)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salaries of employees (other than managerial personnel) was 14.13% for FY 2021-22 and that of managerial personnel was 46.87%, mainly on account of salary of FY 2020-21 being foregone by the Managing Director, in view of COVID-19 pandemic which has regularized in FY 2021-22.		
v)	Affirmation that the remuneration is as per the remuneration policy of the Company;	Remuneration paid during the FY 2021-22 was as per the Nomination and Remuneration Policy of the Company.		

Notes:

- Median remuneration of the employees is calculated on the basis of remuneration details of employees including the Managing Director and the Whole-time Director. The reduction in the median remuneration of employees for FY 2021-22 over the previous financial year is mainly due to increase in the number of employees.
- Directors' remuneration includes commission and sitting fees for FY 2021-22. While Commission is determined based on the contribution and tenure served by Non-executive Directors during the year, the sitting fees are paid based on the number of meetings of Board and Committee attended by them respectively. Therefore, variation in the remuneration of the Directors could be attributed to the committee positions held and the number of meetings attended by them during the year.
- As a responsible leader, Mr. Anant Goenka, Managing Director had forgone his remuneration during FY 2020-21, net of taxation and retinals in view of COVID-19 and therefore determination of percentage increase / decrease in the remuneration is not comparable.
- Ms. Priya Nair was appointed on the Board w.e.f. October 27, 2020. Thus, remuneration paid for the year 2020-21 being for the part of the year, the percentage increase / decrease in the remuneration is strictly not comparable.

Annexure to the Board's Report

Secretarial Audit Report

Form No. MR - 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CEAT Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CEAT Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time - (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (vi) Other laws applicable specifically to the Company namely:-
 - a. The Rubber Act, 1947 and the Rubber Rules, 1955
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings.

- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

During the period under review, the Company has generally complied with the provisions of the Act, Rules Regulations, Guidelines, Standards etc. mentioned above.

We report that the excess remuneration to Managing Director of the Company for the financial year 2021-2022 is subject to the approval of the shareholders.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, etc.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- a. The Company has obtained approval from its shareholders at the Annual General Meeting held on September 14, 2021 for issue of debt securities through private placement basis for an amount not exceeding ₹ 500 Crores. However, the Company has not issued any debt securities during the year under review.
- b. During the year under review, the Company has issued and redeemed Commercial papers.

For Parikh & Associates
Company Secretaries

Signature:
P. N. Parikh
Partner

Place: Mumbai
Date: May 5, 2022

FCS No: 327 CP No: 1228
UDIN: F000327D000272775
PR No.: 1129/2021

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members,
CEAT Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Signature:
P. N. Parikh
Partner

Place: Mumbai
Date: May 5, 2022

FCS No: 327 CP No: 1228
UDIN: F000327D000272775
PR No.: 1129/2021

Securities and Exchange Board of India ('SEBI') vide its Notification No. SEBI/LAD-NRO/GN/2015-16/013 dated September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), being implemented with effect from several dates as prescribed therein and amended from time to time.

This Corporate Governance Report of CEAT Limited ('CEAT' or 'the Company') for FY 2021-22, thus prepared pursuant to the Listing Regulations, as amended and circulars issued thereunder, forms part of the Board's Report and states compliance as per requirements of the Companies Act, 2013 ('the Act') and Rules made thereunder as amended and the Listing Regulations.

I. CEAT'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of CEAT's values, ethics and best business practices followed by CEAT. Corporate Governance is the broad framework which defines the way CEAT functions and interacts with its environment. CEAT follows laws and regulations in each of the markets where it operates, leading to effective management of the organisation. Moreover, CEAT in its journey towards sustainability is integrating sustainability practices in its governance system which goes beyond compliance. CEAT is guided by a key set of values for all its internal and external interactions. Simultaneously, in keeping with the best practices, CEAT seeks to execute the practices of Corporate Governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on its core values, which are as following:

- Commitment to excellence and customer satisfaction;
- Maximising long-term shareholders' value;
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. CEAT has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company also constantly strives to adopt emerging best practices being followed worldwide.

II. THE BOARD OF DIRECTORS

CEAT believes that a dynamic, well-informed and independent Board is essential to ensure highest standards of Corporate Governance. The Board of CEAT, being at the

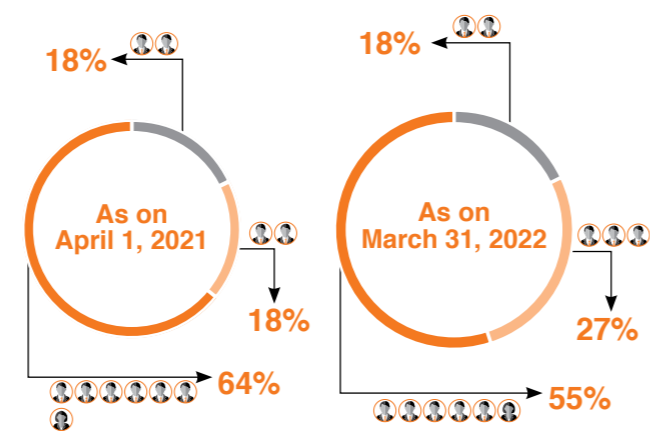
core of its Corporate Governance practice, plays most pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

The CEAT's Board plays a vital role in deriving its business in an ethical and profitable way to ensure the maximisation of its stakeholders' value, in line with its purpose statement 'Making Mobility Safer & Smarter. Every Day.' The Board guides the Management to run business as a socially responsible and ethically compliant corporate citizen and in a sustainable way.

Composition of the Board

The Board of the Company has a good and diverse mix of Executive and Non-executive Directors with majority of the Board Members comprising of Independent Directors in line with the applicable provisions of the Act and the Listing Regulations.

The Board of CEAT comprises of 11 (eleven) Directors having an optimum combination of Executive and Non-executive Directors with 1 (one) Woman Independent Director and more than half of the Board consisting of Independent Directors, satisfying the criteria prescribed under the Listing Regulations.



As on April 1, 2021	As on March 31, 2022
2 Executive Directors (1 Promoter and 1 Non-promoter)	2 Executive Directors (1 Promoter and 1 Non-promoter)
2 Non-executive Non-independent Directors (1 Promoter, 1 Non-promoter)	3 Non-executive Non-independent Directors (1 Promoter, 2 Non-promoter)
7 Independent Directors (including a Woman Director)	6 Independent Directors (including a Woman Director)

Disclosure of relationships between Directors inter se

Mr. H. V. Goenka, Chairman and Mr. Anant Goenka, Managing Director of the Company are related to each other as father and son. None of the other Directors are related to each other.

Details of changes in the Board during the year

The Members of the Company appointed Ms. Priya Nair (DIN:07119070) as an Independent Director of the Company for the term of 5 (five) consecutive years with effect from October 27, 2020 up to October 26, 2025, at the Annual General Meeting ('AGM') held on September 14, 2021.

During the year, Mr. Paras K. Chowdhary (DIN: 00076807), Independent Director, tendered resignation w.e.f. September 3, 2021, since in his assessment, developments in certain transactions, if successfully concluded, would have been perceived to be in conflict with his office as an Independent Director.

The Board at its meeting held on October 25, 2021, based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Paras K. Chowdhary (DIN:00076807) as an Additional Director in the capacity of Non-executive Non-independent Director, liable to retire by rotation, with effect from October 25, 2021, subject to the approval of Members. Further, the Members of the Company appointed Mr. Paras K. Chowdhary as a Non-executive Non-independent Director of the Company by way of Postal Ballot on January 9, 2022 being the last date for remote e-voting.

Board Meetings and Governance

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other statutory matters as required to be deliberated and approved by the Board. The Board / Committee Meetings ('Meetings') are pre-scheduled and a tentative annual calendar of the Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice of Meetings are given well in advance to all the Directors. Owing to difficulties involved due to COVID-19 pandemic and the relaxation granted by Ministry of Corporate Affairs ('MCA') via Circular dated December 30, 2020 and pursuant to the Companies (Meetings of Board and its Powers) Amendment Rules, 2021 dated June 15, 2021, all the Meetings of the Company were held through Video Conferencing/Other Audio-Visual Means allowing seamless participation in the Meeting. Formal notice of the Meetings were issued at least 7 days in advance in accordance with the provisions of the Act and Secretarial Standard-1 issued by the Institute of Company Secretaries of India ('ICSI') and no Meetings were held during the year with shorter notice. The Board Agenda includes an Action Taken Report comprising of actions emanating

from the Board Meetings and status updates thereof. The Management endeavours to provide the Board with sufficient information apart from the items as mandated for discussion by the Board under Regulation 17(7) read with Part A of Schedule II to the Listing Regulations. Through various information being placed or presented at the Board Meetings, the Board is kept well informed about the overall functioning of the Company, which enables the Board to contribute to the growth of the Company and helps them to take informed decisions. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

The Board periodically reviews the updates on the projects, business performance, risk management, strategies, people, processes, compliance with applicable laws and other key affairs of the Company having impact on the business. The Board is satisfied that plans are in place for orderly succession for appointment to the Board and to Senior Management Personnel.

The Agenda of the Meetings is set by the Company Secretary in consultation with the Chairman, Managing Director and Chief Financial Officer of the Company. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary attends all the Meetings of the Board and its Committees to assist the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

The adoption of a digital platform has enabled the Company to conduct paperless Meetings, thereby improving governance while simplifying the process of conducting such Meetings. This involves conducting the Meetings efficaciously, with the Board being able to access information directly on their digital devices. The platform meets high standards of security and integrity that are required for storage and transmission of Board / Committee agenda and pre-reads in electronic form.

The Independent Directors of the Company have also appreciated the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Managing Director and Chief Operating Officer are responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board. The Managing Director and Chief Operating Officer are ably assisted by the Executive Committee and Operating Committee for implementing the decisions and strategic policies of the Board for effective execution.

During the year under review, the Board met 5 (five) times on May 5, 2021, July 21, 2021, October 25, 2021, January 19, 2022 and March 15, 2022 and not more than 120 (one hundred and twenty) days elapsed between the 2 (two) meetings.

The composition, category of Directors and their attendance details at the aforesaid Board Meetings and at the last AGM of the Company held on September 14, 2021 are as given below:

Name of Director	Category of Director	Attendance at Board Meetings	% of Attendance	Attendance at the last AGM
Mr. H. V. Goenka	Non-executive, Non-independent Director (Chairman) (Promoter)	👤👤👤👤👤	○	☑
Mr. Anant Goenka	Managing Director (Promoter)	👤👤👤👤👤	○	☑
Mr. Arnab Banerjee	Whole Time Director	👤👤👤👤👤	○	☑
Mr. Atul C. Choksey	Independent Director	👤👤👤👤👤	○	☑
Mr. Haigreave Khaitan	Independent Director	👤👤👤👤○	○	☑
Mr. Mahesh S. Gupta	Independent Director	👤👤👤👤👤	○	☑
Mr. Paras K. Chowdhary*	Non-executive, Non-independent Director	👤👤👤👤👤	○	N.A.
Mr. Pierre E. Cohade	Non-executive, Non-independent Director	👤👤👤👤○	○	☑
Ms. Priya Nair	Independent Director	👤👤👤👤👤	○	☑
Mr. Ranjit V. Pandit	Independent Director	👤👤👤👤○	○	☒
Mr. Vinay Bansal	Independent Director	👤👤👤👤👤	○	☑

○ 100% ○ 80% ☑ Yes ☒ No N.A. - Not Applicable

*Ceased to be an Independent Director w.e.f. September 3, 2021 and appointed as Non-executive Non-independent Director w.e.f. October 25, 2021.

Details of shares held by Non-executive Directors

As on March 31, 2022, 2 (two) Non-executive Directors, viz. Mr. H. V. Goenka and Mr. Paras K. Chowdhary held 1,33,934 and 3,000 equity shares in the Company respectively and such shares do not include shares held by them in the capacity of Trustee.

Directorship(s) / Committee membership(s) held by Directors

Details of Directorship(s) / Committee membership(s) / Chairmanship(s) held by Directors as on March 31, 2022:

Name of the Director	Directorships in public companies		Committee Position	
	Listed	Unlisted	Membership (including Chairmanship)	Chairmanship
Mr. H. V. Goenka	5	2	0	0
Mr. Anant Goenka	2	2	0	0
Mr. Arnab Banerjee	1	0	0	0
Mr. Atul C. Choksey	2	2	0	0
Mr. Haigreave Khaitan	7	1	9	3
Mr. Mahesh S. Gupta	5	0	5	3
Mr. Paras K. Chowdhary*	2	1	3	1
Mr. Pierre E. Cohade	1	0	0	0
Ms. Priya Nair	1	2	0	0
Mr. Ranjit V. Pandit	3	5	5	2
Mr. Vinay Bansal	1	0	2	1

*Ceased to be an Independent Director w.e.f. September 3, 2021 and appointed as Non-executive Non-independent Director w.e.f. October 25, 2021.

Details of Directorship(s) held by Directors in listed companies as on March 31, 2022:

Name of the Director	Name of the listed companies	Category of directorship in listed companies
Mr. H. V. Goenka	CEAT Limited	Non-executive Director (Chairman)
	KEC International Limited	Non-executive Director (Chairman)
	Zensar Technologies Limited	Non-executive Director (Chairman)
	RPG Life Sciences Limited	Non-executive Director (Chairman)
	Bajaj Electricals Limited	Independent Director
Mr. Anant Goenka	CEAT Limited	Managing Director
	Zensar Technologies Limited	Non-executive Director
Mr. Arnab Banerjee	CEAT Limited	Whole-time Director
	CEAT Limited	Independent Director
Mr. Atul C. Choksey	Apcotex Industries Limited	Non-executive Director (Chairman)
	CEAT Limited	Independent Director
	JSW Steel Limited	Independent Director
	Inox Leisure Limited	Independent Director
	Torrent Pharmaceuticals Limited	Independent Director
Mr. Haigreave Khaitan	Borosil Renewables Limited	Independent Director
	Tech Mahindra Limited	Independent Director
	Mahindra and Mahindra Limited	Independent Director
	CEAT Limited	Independent Director
	Peninsula Land Limited	Non-executive Director
Mr. Mahesh S. Gupta	Morarjee Textiles Limited	Non-executive Director
	RPG Life Sciences Limited	Independent Director
	Shree Digvijay Cement Co. Limited	Independent Director
	CEAT Limited	Non-executive Director
	PCBL Limited	Independent Director
Mr. Pierre E. Cohade	CEAT Limited	Non-executive Director
	CEAT Limited	Independent Director
Ms. Priya Nair	CEAT Limited	Independent Director
	CEAT Limited	Independent Director
Mr. Ranjit V. Pandit	The Great Eastern Shipping Company Limited	Independent Director
	Just Dial Limited	Independent Director
Mr. Vinay Bansal	CEAT Limited	Independent Director

Notes:

- As required under the Regulation 17A of the Listing Regulations, none of the Directors hold Directorship in more than 7 (seven) listed companies and as per declarations received, none of the directors serve as an Independent Director in more than 7 (seven) listed companies, across the Directorships held, including that in CEAT Limited. Further, the Managing Director / Whole-time Director of the Company does not serve as an Independent Director in more than 3 (three) listed companies.
- The Regulation 17A of the Listing Regulations further provides for inclusion of only equity listed entities reckoning the directorship in listed entity.
- None of the Directors were members in more than 10 (ten) committees, nor a chairperson in more than 5 (five) committees across all companies in which he / she was a director, including those held in CEAT Limited as required under Regulation 26(1)(b) of the Listing Regulations.
- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act, have been excluded. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.

Skills / Expertise / Competence of the Board

With a view to achieve a sustainable development, the Company aims to have right balance on its Board with attributes such as experience of diverse nature, qualifications, knowledge and competencies in wide spectrum of functional areas required in the context of Company's business, gender representation etc.

The Directors are eminent industrialists / professionals and have expertise in their respective functional areas, which bring with them the reputation of independent judgment and experience.

In the context of Company's business and the industry in which it operates, the list of skills / area of expertise / competencies as identified by the Board of Directors and those available with Board are as follows:

Statement of skills / expertise / competencies of the Directors of the Company

Areas of skills/ expertise	Mr. H. V. Goenka	Mr. Anant Goenka	Mr. Arnab Banerjee	Mr. Pierre Cohade	Mr. Vinay Bansal	Mr. Ranjit Pandit	Ms. Priya Nair	Mr. Paras K. Chowdhary	Mr. Atul C. Choksey	Mr. Mahesh Gupta	Mr. Haigreve Khaitan
Category	C NE NID	MD	WTD	NE NID	ID	ID	ID	NE NID	ID	ID	ID
General Management and Business Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thought Leadership	✓	✓				✓	✓		✓		✓
CEO/Senior Management Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tyre Industry experience	✓	✓	✓	✓				✓			
Public Policy/ Governmental Regulations					✓	✓				✓	✓
Accounting/ Finance/Legal	✓			✓		✓		✓		✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Human Resources Management	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Strategy/M&A/ Restructuring	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Development / Sales/ Marketing		✓	✓	✓	✓		✓	✓			
International Business	✓	✓	✓	✓		✓	✓		✓		

C NE NID - Chairman, Non-executive Non-independent Director | **MD** - Managing Director | **WTD** - Whole-time Director | **NE NID** - Non-executive Non-independent Director | **ID** - Independent Director

Familiarisation Programme for Independent Directors

Pursuant to the Code of Conduct for Independent Directors specified under the Act and requirements of the Listing Regulations, the Company has framed a familiarisation programme for all its Independent Directors. The Company follows a structured orientation programme for the newly appointed Independent Directors to familiarise them to understand the nature of industry the Company operates into, its business model, updates on the business and operations of the Company together with roles, rights and responsibilities of the Directors to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director. The requirement of obtaining declarations from a Director under the Act, the Listing Regulations and other relevant regulations are also explained in detail to the Director and necessary affirmations are received from them in respect thereto.

Discussions are set up with the respective function heads and the newly appointed Director, which provides an overarching perspective of the tyre industry, organisational set up of the Company and governance model, the functioning of various divisions / departments, Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

Directors' visit to the Company's plants are arranged periodically to have a better insight of the manufacturing processes, R&D and technology facilities and the social environment in which the Company functions. Further, as an on-going process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the tyre industry, initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plans, etc.

The details of familiarisation programme are provided at <https://www.ceat.com/investors/corporate-governance.html>

Confirmation of independence of Independent Directors

During the period under review SEBI, vide a gazette notification dated August 3, 2021, notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 which read together with the Corrigendum dated August 6, 2021 has brought in force certain amendments to the definition of the Independent Director which are effective from January 1, 2022. In view of the said amendment, all the Independent Directors of the Company submitted a fresh declaration in order to comply with the amended provisions of the Listing Regulations, which was duly noted by the Board.

Further, as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations, the Independent Directors provide an annual confirmation that they meet the criteria of independence.

The Board at its meeting held on May 5, 2022, reviewed the declaration of independence submitted by the Independent Directors and carried out due assessment of the veracity of the same noting that the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the Management.

Independent Directors Meeting

In compliance with Schedule IV to the Act and Regulation 25(3) of the Listing Regulation, the Independent Directors of the Company held their separate meeting on March 15, 2022, without the attendance of the Non-independent Directors and members of the Management to, inter alia:

- Review the performance of Non-independent Directors and the Board as a whole;
- Review the performance of the Chairperson considering the views of Executive Directors and Non-executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors, except for Ms. Priya Nair, were present at the Meeting and Mr. Atul C. Choksey was elected to Chair the Meeting.

The Independent Directors deliberated on the above and expressed their satisfaction on each of the matters.

Directors and Officers Liability Insurance (D&O) Policy

The Company has been taking the D&O Policy since the year 2013, even before it became mandatory pursuant to the amendment to the Listing Regulations, providing coverage to the Independent / Non-executive Directors. Every year the Company ensures renewal and validity of the Policy.

III. COMMITTEES OF THE BOARD

The Committees of the Board play a significant role in the governance structure of the Company and have been instituted to transact / approve the matters as instructed by applicable regulations concerning the Company and as per the requirement of the Board. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review and noting. The Board Committees request special invitees to join the meetings, as appropriate.

a) Audit Committee

In accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the

Company has formed its Audit Committee, composition and terms of reference of which are in conformity with the said provisions and are available at <https://www.ceat.com/corporate/investor/corporate-governance>

The Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Committee supervises the Company's internal controls, monitors the Company's financial reporting process and inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and creditable;
- reviewing performance of and examining with the Management, Quarterly and Annual Financial Results and the Auditors' Report thereon before submission to the Board for approval;
- reviewing Management Discussion and Analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Company's Policy on Related Party Transactions;
- recommending the appointment, remuneration and term of appointment of auditors of the Company and approval for availing any other services;
- reviewing and monitoring the Auditors' independence and performance and effectiveness of audit process;
- reviewing with the Management, performance of Statutory Auditors and Internal Auditors, adequacy of internal control systems; reviewing the adequacy of internal audit function and discussing with Internal Auditors any significant finding and follow-up thereon;
- evaluating internal financial controls and risk management systems, reviewing the functioning of the whistle blower mechanism.

As on March 31, 2022, the Committee consisted of 3 (Three) Directors, of which 2 (two) are Independent Directors, viz. Mr. Mahesh S. Gupta, as the Chairman, Mr. Vinay Bansal, as member of the Committee.

In compliance with the Act and Regulation 18(1)(c) of the Listing Regulations, all the 3 (three) members of the Committee are financially literate. Moreover, the Committee has members who have relevant experience in financial matters as well as have accounting or related financial management expertise.

During the year under review, the Committee met 5 (five) times on May 4, 2021, July 21, 2021, October 25, 2021, January 19, 2022 and March 15, 2022 and not more than 120 (one hundred and twenty) days elapsed between the 2 (two) meetings. The necessary quorum was present for all the meetings with the presence of at least 2 (two) Independent Directors as required under Regulation 18(2)(b) of the Listing Regulations.

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director		
Mr. Arnab Banerjee*	Whole-time Director (Chief Operating Officer)		
Mr. Paras K. Chowdhary**	Non-independent Director		
Mr. Vinay Bansal	Independent Director		

100%

*Inducted as member w.e.f. September 3, 2021 and ceased to be member w.e.f. January 19, 2022.

**Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

The Company Secretary functions as the Secretary to the Committee.

The Committee invites the Statutory Auditors and the Internal Auditors for discussions at the meeting. The Cost Auditors are invited as and when required. Managing Director, Chief Operating Officer, Chief Financial Officer, Chief Internal Auditor and Vice President-Finance are permanent invitees at the Committee Meetings. Members of Senior Management team also attend the meetings depending on the agenda.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Mr. Mahesh S. Gupta, Chairman of the Committee was present at the AGM of the Company held on September 14, 2021 to answer the queries of the Shareholders.

b) Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee, composition and terms of reference of which are in conformity with the said provisions and are available at <https://www.ceat.com/corporate/investor/corporate-governance>

The Committee inter alia, reviews matters relating to appointment / re-appointment and remuneration of Directors, Key Managerial Personnel, Senior

Management Personnel; formulating a criteria for effective evaluation of the performance of the Board, its Committees, Chairperson and individual Directors and devising a policy on diversity of the Board.

As on March 31, 2022, the Committee consisted of 3 (Three) Directors of which 2 (two) are Independent Directors, comprising of Mr. Mahesh S. Gupta, as the Chairman and Mr. Vinay Bansal, as Member of the Committee.

During the year under review, the Committee met 4 (four) times on May 4, 2021, July 5, 2021, October 25, 2021 and March 14, 2022.

Necessary quorum was present for all the meetings with the presence of at least one Independent Director as required under Regulation 19(2A) of the Listing Regulations.

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director		
Mr. Atul C. Choksey*	Independent Director		
Mr. Paras K. Chowdhary**	Non-independent Director		
Mr. Vinay Bansal	Independent Director		

100%

*Inducted as member w.e.f. September 3, 2021 and ceased to be member w.e.f. January 19, 2022.

**Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

Mr. Mahesh S. Gupta, the Chairman of the Committee was present at the AGM of the Company held on September 14, 2021 to answer the queries of the shareholders.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Performance evaluation criteria for Independent Directors

Pursuant to the provisions of the Act and Regulation 25(4) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, individual Directors and of its Committees. The Company had appointed an external independent agency for carrying out the said evaluation process in a transparent manner by using the questionnaire considered / approved by the Board after taking into account the Guidance Note issued by SEBI vide its Circular SEBI / HO CFD/CMD/CIR/2017/004 dated January 5,

2017 and the recommendations of the Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations, compliance and governance, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairperson and the Non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the evaluation process.

c) Stakeholders' Relationship Committee

In accordance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders' Relationship Committee, composition and terms of reference of which are in conformity with the said provisions and are available at <https://www.ceat.com/corporate/investor/corporate-governance>

The Committee inter alia reviews the mechanism of redressal of grievances of the securities holders, service level of Registrar and Transfer Agents and deals with other matters concerning securities holder including dividend.

As on March 31, 2022, the Committee consisted of 3 (Three) Directors of which 2 (two) are Independent Directors, viz. Mr. Vinay Bansal as the Chairman and Mr. Mahesh S. Gupta as member of the Committee.

During the year under review, the Committee met 2 (two) times on October 25, 2021 and March 14, 2022 with presence of necessary quorum.

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Vinay Bansal (Chairman)	Independent Director		
Mr. Arnab Banerjee*	Whole-time Director (Chief Operating Officer)		
Mr. Mahesh S. Gupta	Independent Director		
Mr. Paras K. Chowdhary**	Non-independent Director		

100%

*Inducted as member w.e.f. September 3, 2021 and ceased to be member w.e.f. January 19, 2022

**Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

Mr. Vinay Bansal, the Chairman of the Committee was present at the AGM of the Company held on September 14, 2021 to answer the queries of the Shareholders.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Details of Compliance Officer during the period under review

Ms. Vallari Gupte, Company Secretary acts as the Compliance Officer of the Company.

Details of complaints received during the year under review

Particulars	Numbers
Complaints as on April 1, 2021	1
Complaints received during FY 2021-22	16
Complaints disposed-off during FY 2021-22	17
Complaints not solved to the satisfaction of Shareholders during FY 2021-22	0
Complaints remaining pending as on March 31, 2022	0

d) Risk Management Committee

Pursuant to the provisions of Regulation 21 of the Listing Regulations, w.e.f. September 7, 2021, top 1000 listed entities based on their market capitalisation are required to form a Risk Management Committee of the Board which previously was applicable only for the top 500 such listed entities.

The Company, however, has constituted its Risk Management Committee well before it became applicable to the Company under the aforesaid provisions. Composition and terms of reference of the Committee are in conformity with the said provisions and are available at <https://www.ceat.com/corporate/investor/corporate-governance>

The Committee inter alia reviews the business risk including strategic, operational, financial, sustainability (particularly, ESG related risks), information, cyber security and compliance risks and approves its mitigation plans and monitors effectiveness thereof.

As on March 31, 2022, the Committee consisted of 3 (Three) Directors of which 2 (two) are Independent Directors, viz. Mr. Mahesh S. Gupta, as the Chairman and Mr. Vinay Bansal, as member of the Committee.

During the year under review, the Committee met 2 (two) times on July 21, 2021 and December 21, 2021 with all the members being present.

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director		
Mr. Arnab Banerjee*	Whole-time Director (Chief Operating Officer)		
Mr. Paras K. Chowdhary**	Non-independent Director		
Mr. Vinay Bansal	Independent Director		

100%

*Inducted as member w.e.f. September 3, 2021 and ceased to be member w.e.f. January 19, 2022

**Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

Managing Director, Chief Financial Officer, Chief Internal Auditor who also functions as Chief Risk Officer, are permanent invitees for the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Disclosure of Risk Management

The Company has in place an Enterprise Risk Management framework to identify risks and minimise their adverse impact on business of the Company and strives to create transparency which in turn enhances the Company's competitive advantage. Pursuant to the aforesaid business risk framework, the Company has identified the business risks associated with its operations and an action plan for mitigation of the same is put in place.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 5, 2021, the Board has amended the terms of reference of the Risk Management Committee and adopted the requisite policies required thereunder.

The business risks and its mitigation have been dealt with in the Management Discussion and Analysis section of this Annual Report.

e) Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Act, the Board has formed the Corporate Social Responsibility ("CSR") Committee, composition and terms of reference, of which are in conformity with the said provisions of the Act.

With a view to seek periodical guidance from the Board on the various ESG initiatives of the Company, the Board at its meeting held on May 5, 2022, renamed the CSR Committee as Sustainability and Corporate Social Responsibility Committee. As such, considering the increase in the scope of responsibility of the Committee, the existing terms of reference were also updated. The revised terms of reference are available at <https://www.ceat.com/corporate/investor/corporate-governance>.

As on March 31, 2022, the Committee consisted of 4 (four) members, Mr. Anant Goenka, as the Chairman, Mr. Vinay Bansal, Ms. Priya Nair and Mr. Paras K. Chowdhary as members of the Committee.

During the year under review, the Committee met 4 (four) times on May 4, 2021, July 21, 2021, January 19, 2022 and March 15, 2022

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Anant Goenka (Chairman)	Executive Director (Managing Director)		
Mr. Paras K. Chowdhary*	Non-independent Director		
Ms. Priya Nair**	Independent Director		
Mr. Vinay Bansal	Independent Director		

100%

*Ceased to be member of the Committee, consequent to his resignation from the Board w.e.f. September 3, 2021. Inducted as a member w.e.f. January 19, 2022, subsequent to his appointment to the Board as a Non-executive Director.

**Inducted as member w.e.f. September 3, 2021

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, there were no instances where recommendation of the Committee was not accepted by the Board.

More details about the Committee and details of expenditure made by Company under CSR are described in detail in this Annual Report on CSR activities, as annexed to the Board's Report, forming part of the Annual Report.

f) Finance and Banking Committee (Non-Mandatory Committee)

The Board with an objective of easing business transaction and to facilitate the timely approval of the routine but important matters has constituted the Finance and Banking Committee and delegated some of its powers, which inter alia include approving matters concerning borrowing and investment of surplus fund, banking and treasury operations, issue of power of attorney and authorisation for day-to-day operations, etc. The composition and terms of reference of the Committee are available at <https://www.ceat.com/corporate/investor/corporate-governance>.

As on March 31, 2022, the Committee consisted of 3 (three) members, Mr. Anant Goenka, as the Chairman, Mr. H. V. Goenka and Mr. Arnab Banerjee as members of the Committee.

During the year under review, Committee met 6 (six) times on July 21, 2021, September 1, 2021, September 16, 2021, December 1, 2021, January 5, 2022 and March 15, 2022.

The details of composition of the Committee and the attendance at the meetings held during the year are given below:

Name of Directors	Category of Directors	Attendance at the Committee meetings	% of Attendance
Mr. Anant Goenka (Chairman)	Executive Director (Managing Director)		
Mr. H. V. Goenka	Non-Independent Director (Chairman)		
Mr. Arnab Banerjee	Whole-time Director (Chief Operating Officer)		

100% 83.33%

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, there were no instances where recommendation of the Committee was not accepted by the Board.

IV. REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during FY 2021-22 are as given below –

A. Remuneration to Managing Director, Whole-time Directors and / or Managers

Particulars of Remuneration	Mr. Anant Goenka, Managing Director	Mr. Arnab Banerjee, Chief Operating Officer (COO)	Total Amount
Gross Salary			
a) Salary as per provision contained in Section 17(1) of Income Tax Act, 1961	476.39	275.86	752.25
b) Value of perquisite under Section 17(2) of Income Tax Act, 1961	121.74	4.19	125.93
c) Profit in lieu of salary under Section 17(3) of Income Tax Act, 1961			
Stock Option			
Sweat Equity			
Commission			
-As percent of profit			
-Others, Specify			
Others (retiral benefits)	14.85	16.26	31.11
Recovered but payable subject to approval of the Members*	(147.26)		
Total	465.72	296.31	762.03
Performance Bonus#	290.50	144.81	435.31

*Remuneration recovered due to insufficiency of profits, payable subject to the approval of the Members of the Company.

#Performance bonus of FY 2020-21 paid in FY 2021-22. Performance bonus of FY 2021-22 for Mr. Anant Goenka shall be payable in FY 2022-23, subject to the approval of the Members of the Company.

B. Remuneration to Non-executive Directors

(₹ in Lacs)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. H. V. Goenka	Mr. Mahesh S. Gupta	Mr. Haigreve Khaitan	Mr. Atul C. Choksey	Mr. Vinay Bansal	Mr. Paras K. Chowdhary	Ms. Priya Nair	
Sitting Fees	5.30	9.50	4.00	5.25	10.50	8.50	5.50	48.55
Commission	31.00	9.00	9.00	9.00	9.00	9.00	9.00	85.00
Others, please specify								
Total	36.30	18.50	13.00	14.25	19.50	17.50	14.50	133.55

1. Mr. Pierre E. Cohade, Non-executive Director was not eligible for receipt of remuneration including sitting fees and commission from the Company and Mr. Ranjit V. Pandit, Independent Director has voluntarily waived off his right to receive remuneration including sitting fees and commission from the Company.

The Members of the Company at the AGM held on July 20, 2018, vide a special resolution approved the payment of remuneration / commission to the Non-executive Directors of the Company, up to a sum not exceeding 3% (three percent) of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, in the manner as may be decided by the Board from time to time.

In terms of the said approvals, Non-executive Directors of the Company are being paid Commission as recommended by the Nomination and Remuneration Committee and approved by the Board. Additionally, Non-executive Directors are being paid sitting fees of ₹ 1,00,000 per meeting of the Board, ₹ 50,000 per meeting of Audit Committee, ₹ 25,000

per meeting of Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee, attended by them and ₹ 5,000 per meeting of Finance and Banking Committee.

Managing Director / Whole-time Director remuneration

Remuneration paid to Mr. Anant Goenka, Managing Director is pursuant to the approval accorded by the Members vide special resolution passed at the AGM of the Company held on August 8, 2017 and governed by the agreement dated April 1, 2017.

Due to insufficiency of profits, the remuneration of Mr. Goenka for FY 2021-22 exceeded the limits

specified under Section 197 of the Act which shall be payable subject to the approval of the Members of the Company.

Mr. Arnab Banerjee who has been appointed as a Whole-time Director is paid remuneration pursuant to the approval granted by the special resolution passed at the AGM of the Company held on July 20, 2018 and the agreement dated April 30, 2018 entered into with Mr. Arnab Banerjee governing the terms of his appointment including remuneration.

The remuneration paid to the Managing Director and the Whole-time Director is duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in accordance with the Nomination and Remuneration Policy of the Company.

Mr. Anant Goenka, Managing Director and Mr. Arnab Banerjee, Whole-time Director (Chief Operating Officer) do not receive any profit related commission or any other remuneration from any of the subsidiary of the Company.

Disclosures as per Schedule V to the Listing Regulations, pertaining to remuneration of Directors:

- All elements of remuneration package of individual Director are summarised under major groups, such as salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives etc. as mentioned above.
- The Nomination and Remuneration Policy, inter alia, disclosing the criteria of making payments to Directors, Key Managerial Personnel and Employees, along with the performance criteria is available at <https://www.ceat.com/investors/corporate-governance.html>
- The Company does not have a practice of paying severance fees to any of its Directors.
- The Company currently does not have a stock option programme for any of its Directors.

V. GENERAL BODY MEETINGS / POSTAL BALLOT

Details of the General Meetings of the Company held in the last 3 (three) years along with summary of Special Resolutions passed thereat, as more particularly set out in the respective notices of such AGMs, as passed by the Members, are as follows:

AGM / EGM	Day, Date, Time and Venue	Particulars of Special Resolution
		Approval for re-appointment of Mr. Atul C. Choksey (DIN: 00002102) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from September 26, 2019.
		Approval for re-appointment of Mr. Haigreve Khaitan (DIN: 00005290) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from September 26, 2019.
		Approval for re-appointment of Mr. Mahesh S. Gupta (DIN: 00046810) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from September 26, 2019.
		Approval for re-appointment of Ms. Punita Lal (DIN: 03412604) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from September 26, 2019.
60 th AGM	Thursday, August 1, 2019 at 3.00 p.m. Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025	Approval for re-appointment of Mr. Vinay Bansal (DIN: 00383325) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from September 26, 2019 and continuation of his directorship as Non-executive Independent Director after he attains the age of 75 (seventy-five) years during the aforesaid tenure.
		Approval for payment of annual remuneration of ₹ 3,80,30,000/- for FY 2018-19 to Mr. H. V. Goenka (Non-executive Director), Chairman of the Company, being an amount exceeding 50% of the total annual remuneration payable to all the Non-executive Directors of the Company.
		Approval of borrowing under Section 180(1)(c) of the Companies Act, 2013 for borrowing not exceeding the limit of ₹ 2,000 Crores (Rupees Two Thousand Crores Only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, from time to time.
		Approval under Section 180(1)(a) of the Companies Act, 2013 to create mortgage and / or hypothecation, on any of movable and / or immovable properties.

AGM / EGM	Day, Date, Time and Venue	Particulars of Special Resolution
61 st AGM	Thursday, September 10, 2020 at 3.00 p.m. The Company has conducted meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars	Approval for re-appointment of Mr. Ranjit V. Pandit (DIN: 00782296) as Non-executive Independent Director for second term of 5 (five) consecutive years with effect from August 12, 2020. Approval for Issuance of Non-Convertible Debentures up to ₹ 500 Crores on private placement basis.
62 nd AGM	Tuesday, September 14, 2021 at 4.30 p.m. The Company has conducted meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars	Approval for the payment of commission of ₹ 3,70,39,000/- for FY 2020-21 to Mr. H. V. Goenka (Non-executive Director) Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-executive Directors of the Company. Approval for making offer or invitation to subscribe Non-Convertible Debentures / Bonds or such other debt securities up to ₹ 500 Crores. Approval for Keeping the Registers and Indexes of Members and Debenture Holders and copies of all Annual Returns together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required at a place other than the registered office of the Company.

Pursuant to Section 110 and other applicable provisions, if any, of the Act read together with the Companies (Management and Administration) Rules, 2014 read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020 and Circular No. 10/2021 dated June 23, 2021 issued by MCA, the Company conducted postal ballot by way of voting through electronic means (remote e-voting) to obtain approval of its Members via Ordinary resolution for the appointment of Mr. Paras K. Chowdhary (DIN:00076807) as Non-executive Non-independent Director of the Company.

In compliance with Regulation 44 of the Listing Regulations and provisions of Sections 108 and 110 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Company had offered e-voting facility to all its Members to exercise their right to vote. For this purpose, the Company had availed the services of Central Depository Services (India) Limited.

The Company had appointed Mr. P. N. Parikh, Practising Company Secretary, as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. The results of the postal ballot were announced on January 10, 2022 wherein, the Ordinary resolution was passed with requisite majority.

The results of the Postal Ballots were placed on the website of the Company at www.ceat.com and were also filed with BSE Limited and National Stock Exchange of India Limited.

There is no proposal to pass any resolution through postal ballot as on the date of this Report.

VI. MEANS OF COMMUNICATION

Financial Results

Quarterly financial results are announced within 45 (forty-five) days from the end of the quarter and annual audited results are announced within 60 (sixty) days from the end of the financial year as per Regulations 33 and 52 of the Listing Regulations and are published in the newspapers in accordance with Regulation 47 of the Listing Regulations. Quarterly financial results are announced to Stock Exchanges within 30 (thirty) minutes from the closure of the Board meeting at which these are considered and approved.

Quarterly, half-yearly and annual financial results and other public notices issued to the Members are usually published in various leading dailies, such as Financial Express and Loksatta. These quarterly financial results are also hosted on the website of the Company i.e. www.ceat.com.

Annual Report

Annual Report for FY 2020-21 containing inter alia, Audited Financial Statements, Board's Report, Management Discussion and Analysis and Corporate Governance Report etc. was sent via email to all the Members who have provided their email IDs. Annual Reports are also hosted on the website of the Company.

Press Release / Investor Presentations

The Company participates in various investor conferences and analyst meets and makes presentation thereat. Press Releases, Investors presentations are submitted to the Stock Exchanges as well as are hosted on the website of the Company.

Website

The Company has a functional website, www.ceat.com which under its 'Investors' section disseminates the

information as required under the Act and the Listing Regulations, such as financial results, shareholding patterns, policies and codes, credit rating details, investor presentations, details of the corporate contact persons and Registrar and Transfer Agent of the Company, Debenture Trustees, etc.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 5, 2021, the Company has been hosting audio recordings and transcripts of the quarterly earnings call on the website of the Company and simultaneously submits the same with the Stock Exchanges.

Email Communications

As permitted under Section 20 and 136 of the Act read with Companies (Accounts) Rules, 2014 during the year under review, the Company sent various communications, such as notice calling the general meeting / Postal Ballot Notice, audited financial statements including Board's report, Tax Deducted at Source intimation, credit of dividend intimation letters, etc. in electronic form at the email IDs provided by the Members and made available by them to the Company through the depository participants.

Exclusive email ID for investors

The Company has investors@ceat.com as the designated email ID exclusively for Investors / Members servicing.

VII. OTHER DISCLOSURES

Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Act and were also not material RPTs under Regulation 23 of the Listing Regulations.

During the year under review, all RPTs were placed before the Audit Committee for its approval, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately under the Financial Statements.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

Pursuant to Regulation 23(1) of the Listing Regulations, the Board of Directors of the Company are required to review and update the Policy on Related Party Transactions at least once in three years. Accordingly, the Policy on Related Party Transactions was reviewed and amended by the Board of Directors of the Company.

Further, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated November 9, 2021, the Policy on

Related Party Transactions was amended by the Board of Directors and the updated policy is available at <https://www.ceat.com/investors/corporate-governance.html>

Also, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated August 3, 2021 read with Corrigendum dated August 6, 2021, effective January 1, 2022, the Related Party Transactions were approved by only those members of the Audit Committee, who are Independent Directors.

Details of non-compliance by the Company

The Company has complied with all the requirements of the Stock Exchanges, SEBI and Statutory Authorities related to the capital markets and there has been no instance of non-compliance and that no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI during the last 3 (three) financial years.

Vigil Mechanism (Whistle Blower Policy)

In accordance with Section 177 of the Act and Rules made thereunder, read with Regulation 22 of the Listing Regulations, the Board has adopted a 'Whistle Blower Policy and Vigil Mechanism' for Directors and Employees to report their genuine concerns and actual / potential violations, if any, to the designated official of the Company fearlessly.

The said Policy provides the type of concerns / violation to be reported, investigation procedure, protection and safeguards and other related matters and the same is available at <https://www.ceat.com/investors/corporate-governance.html> No personnel / employee of the Company has been denied access to the Audit Committee for reporting genuine concerns. During the year under review, 1 (one) complaint was received in last quarter under the Whistle Blower Policy and the same was pending at the end of the financial year.

Subsidiary Companies

The Company does not have any material subsidiary, as defined under Regulation 16 of the Listing Regulations and as prescribed for the purpose of Regulation 24 of the Listing Regulations. The Company has however, framed a Policy for determining Material Subsidiaries, as required pursuant to the said Regulation 16, which is available at <https://www.ceat.com/investors/corporate-governance.html>

Provisions to the extent applicable as required under Regulation 24 of the Listing Regulations, with reference to subsidiary companies were duly complied with.

During the year under review, the Audit Committee reviewed the financial statements of and in particular, the investments made by the unlisted subsidiaries, to the extent applicable. Minutes of the Board meetings of unlisted subsidiaries as well as a statement of all significant transactions and arrangements entered into by the subsidiary, as applicable, were regularly placed before the Board.

Details of utilisation of funds raised through Preferential Allotment

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

Certificate of non-disqualification of Directors

Certificate from Parikh & Associates, Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any other statutory authority is annexed to this Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly framed a Policy on Prevention of Sexual Harassment of Women at Workplace and formed 9 (nine) Internal Complaints Committees ('ICC'), as required pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, 2 (two) complaints were received and closed by the ICC.

Consolidated Fees paid / payable to Statutory Auditors

Details of total fees paid for all services availed by the Company and its subsidiaries on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which Statutory Auditor is a part, during the year under review are given below:

Name of Statutory Auditor and network entity	Type of Services	Name of Company or its subsidiaries obtaining the services	Amount (₹ in Lacs)
Ernst & Young Advisory Services Bangladesh Limited	Consultancy fees for VAT refund & VDS Audit issue	Ceat Akkhan Limited	1.22

Note: Above amount does not include reimbursement of out of pocket expenses.
Converted 1 BDT = 0.88 INR as on March 31, 2022.

CEO and CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs, which has been reviewed by the Audit Committee and taken on record by the Board.

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is available at <https://www.ceat.com/investors/corporate-governance.html>

All the Board Members and Senior Management Personnel have affirmed compliance with the Code for the Financial Year ended March 31, 2022. A declaration to this effect signed by the Managing Director is annexed to this Report.

Prevention of Insider Trading

The Company has formulated a Code of Fair Disclosure (Including Determination of Legitimate Purpose), Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Person(s) ('the Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate trading in securities by the Directors and Designated Persons as identified therein.

The Code prescribes for the procedures and compliances applicable for the preservation of unpublished price sensitive information under the aforesaid SEBI Regulations. Company Secretary acts as the Compliance Officer to ensure compliance with the requisite approvals on pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board.

Annual Secretarial Compliance Report

Pursuant to Regulation 24A read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, Parikh & Associates, Practising Company Secretaries carried out the audit for the FY 2021-22 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder. There are no observations or qualifications under the said Report.

Report on Corporate Governance

This section, read together with the information given in the Board's Report and the section on Management Discussion and Analysis, constitute the compliance report on Corporate Governance during the FY 2021-22. The Company, in compliance with the provisions of Regulation 27(2) of the Listing Regulations submits the quarterly compliance report to the Stock Exchanges as required thereunder and uploads the same on its website.

Details of compliance with mandatory requirements

The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) and (t) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

As per Regulation 34(3) read with Schedule V of the Listing Regulations the Company has obtained a certificate from Parikh & Associates, Practising Company Secretaries confirming the compliance with the mandatory requirement of the Listing Regulations and the same is annexed to this Report.

Compliance with discretionary requirements

The status with regard to compliance by the Company with the discretionary requirements as listed out in Part E of Schedule II of the Listing Regulations is as under:

- Chairperson's office is maintained at Company's expense and all reimbursements are allowed to the Chairperson in performance of his duties.
- The Auditors' Reports on Standalone and Consolidated Financial Statements for the year ended March 31, 2022 are with unmodified audit opinion.

- Internal Auditor reports directly to the Audit Committee in all the functional matters.

VIII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM)

Day / Date	Tuesday, June 28, 2022
Time	3.00 p.m. (IST)
Venue / Mode	The Company is conducting AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM.

Annual General Meeting through Video Conferencing or Other Audio-Visual Means

Since the beginning of the calendar year 2020 the spread of COVID-19 virus created a disruption in life and since being declared a global pandemic also resulted in a nationwide lockdown in India w.e.f. March 24, 2020. In view of the restriction on movement and social distancing norms to be followed by the people, the Ministry of Corporate Affairs ('MCA') and SEBI permitted to hold the AGM of the companies through Video Conferencing or Other Audio-Visual Means, which also extended for calendar year 2021. Further, MCA, vide its Circular dated December 14, 2021 and May 5, 2022, has allowed the companies to conduct their AGMs due in calendar year 2022 through VC / OAVM on or before December 31, 2022 subject to the fulfilment of other prescribed conditions as stated in the MCA circular dated May 5, 2020. Accordingly, the Company has opted to provide such facility to the shareholders to join the meeting through remote locations from the facilities provided by National Securities Depository Limited ('NSDL').

In terms of Section 101 and 136 of the Act read together with the Rules made thereunder and pursuant to Regulation 36(1) of the Listing Regulations, the listed companies may send the notice of AGM and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above-referred documents to all those Members who have registered their email IDs with their respective DPs or with the Registrar and Transfer Agents of the Company. Members may further note that the Integrated Annual Report of the Company for the Financial Year 2021-22 is hosted on the Company's website at www.ceat.com. To receive the copy over email, the Members are requested to ensure that their email IDs are registered with the Registrar and Transfer Agent or the Depository Participants, as the case may be.

The Company is also offering a facility to help Members register their email ID with the Company, by sending an email on investors@ceat.com. The Company may update its records for all the future communications on the given email ID.

Financial Year

The Company follows April 1 to March 31 as the financial year.

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 3 per equity share (30%) for the FY 2021-22, subject to approval by the Members at the ensuing AGM. Dividend paid in the previous year was ₹ 18 per share (180%).

Dividend Payment Date

Dividend on equity shares, if declared at the AGM, will be credited / dispatched on or before Wednesday, July 27, 2022.

- to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the close of business hours on Monday, June 13, 2022; and
- to all those shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of business day on Monday, June 13, 2022.

Listing on Stock Exchanges

The Equity Shares and Non-convertible Debentures of the Company are listed on the following Stock Exchanges:

Name of Directors	Address	Scrip / Stock Code
BSE Limited	P. J. Towers, Dalal Street, Mumbai 400 001	500878 (Equity)
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	CEATLTD (Equity)CL23, CL25 (Debt)

Listing fees for FY 2021-22 for both the Stock Exchanges were duly paid by the Company.

In view of the SEBI Circular ref no. SEBI/HO/DDHS/P/ CIR/2021/613 dated August 10, 2021 as amended, during the FY 2021-22, the Commercial Papers issued by the Company were listed on one of the above Stock Exchanges, as opted at the time of each such issue.

During FY 2020-21, the Company had issued following Secured, Rated, Listed, Taxable and Redeemable Non-convertible Debenture ('NCDs') for which it entered into agreement with M/s Vistra ITCL (India) Limited to act as Debenture Trustee and has appointed M/s TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited) as Registrar and Transfer Agent:

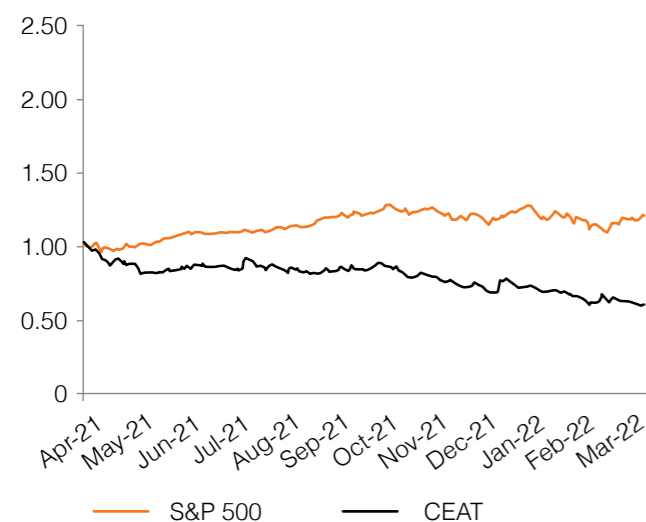
Name of Directors	Value	Date of Allotment	Tenure	Redemption date
6.40% NCD	₹ 150 Crores	October 7, 2020	36 Months	October 6, 2023
7.00% NCD	₹ 100 Crores	October 13, 2020	60 Months	October 13, 2025

Also, first interest payments for the NCDs which were due in October 2022 were paid to the debenture-holders in time and required disclosures were submitted with Exchanges in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Market Price Data for Equity shares of face value of ₹ 10/- each

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-21	1,613.40	1,316.80	1,620.00	1,333.95
May-21	1,429.25	1,269.45	1,430.00	1,269.10
Jun-21	1,400.00	1,312.00	1,401.00	1,311.55
Jul-21	1,477.20	1,316.15	1,477.75	1,316.00
Aug-21	1,380.00	1,261.00	1,379.80	1,261.10
Sep-21	1,398.55	1,266.85	1,398.80	1,265.10
Oct-21	1,420.00	1,165.00	1,421.40	1,191.00
Nov-21	1,304.00	1,119.90	1,284.00	1,120.00
Dec-21	1,250.00	1,067.25	1,248.90	1,060.00
Jan-22	1,241.75	1,051.30	1,243.00	1,048.95
Feb-22	1,119.75	931.25	1,110.85	936.05
Mar-22	1,080.00	920.55	1,084.00	919.20

CEAT in comparison with S&P BSE during 2021-22*



*Indexed to 1 on March 31, 2021

Registrar and Transfer Agents for Equity Shares

The Company has appointed TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited) ('TSR') as its Registrar and Transfer Agents and accordingly, all physical transfers, transmissions, transpositions, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation / rematerialisation are being processed in periodical cycles at TSR offices. The work related to dematerialisation / rematerialisation is handled by TSR through connectivity with NSDL and CDSL.

Registrar for Deposits

Being eligible and as approved by the Members in 2014, the Board of Directors of the Company approved acceptance of Fixed Deposit from Members and persons other than Members in accordance with Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. The Company thereafter discontinued the Fixed Deposit Scheme and repaid all outstanding fixed deposits along with the interest accrued up to September 30, 2016.

During the year under review, the Company did not accept any deposits as defined under the Act.

Address for correspondence for Investor / Deposit Holders' queries:

Company	CEAT Limited	463, Dr. Annie Besant Road, Worli, Mumbai 400 030 ✉ investors@ceat.com Web: www.ceat.com ☎ 022-2493 0621 Ms. Vallari Gupte, Company Secretary and Compliance Officer
Registrar and Transfer Agents – for equity shares	TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited)	C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 ✉ csg-unit@tcplindia.co.in Web: https://www.tcplindia.co.in/ ☎ 022-6656 8484; ☎ 022-6656 8494
Registrar for Fixed Deposits	Kisu Corporate Services Private Limited	15B-9A Supariwala Estate, 1 st Floor, Prasad Chambers Compound, Near Roxy Cinema, Opera House, Mumbai 400 004. +91-9820866664, ✉ kisucorporate@gmail.com
Debenture Trustee	Vistra ITCL (India) Limited	IL & FS Financial Centre, Plot No. C22, G Block, 7 th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 ☎ 022 - 2659 3535 ✉ mumbai@vistra.com

Share Transfer System

Pursuant to the amendment to the Listing Regulations, made effective from April 1, 2019, no shares can be transferred unless they are held in dematerialised mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialised mode to avoid loss of shares and fraudulent transactions and avail better investor servicing.

As such now only cases of valid transmission or transposition may be processed by TSR, subject to compliance with the Guidelines prescribed by SEBI.

Dematerialisation of shares and liquidity

The Company has an arrangement with NSDL and CDSL for dematerialisation of shares with ISIN INE482A01020.

During the year, 19,084 shares were dematerialised. As on March 31, 2022, 99.01% of equity share capital corresponding to 4,00,51,244 equity shares were held in dematerialised form.

In accordance with the proviso to Regulation 40(1) of the Listing Regulations effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialised form with a Depository. However, investors are not barred from holding shares in physical form. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 dated January 24, 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of free transferability of shares and better investor servicing, shareholders holding equity shares in physical form are urged to have their shares dematerialised and update their bank accounts and email IDs with the respective depository participants.

SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, read together with SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021, mandates all the listed companies to record the PAN, Address with PIN code, Email ID, Mobile Number, Bank Account Details, Specimen Signature and Nomination by holders of physical securities. Shareholders were requested to ensure the above details are updated with the RTA before April 1, 2023, since folios for which the above details are not available thereafter shall be marked frozen and the RTA shall not be able to process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC Details and Nomination documents/details are updated. Accordingly, requisite communication has been sent to the Physical Shareholders to update the requisite KYC details.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

Distribution of Shareholding as at March 31, 2022

No. of Equity Shares	No. of Shareholders		No. of shares		% of Equity Capital	
	Physical	Demat	Physical	Demat	Physical	Demat
1 to 500	11,521	1,31,334	312106	44,90,868	0.77	11.10
501 to 1000	44	968	30497	7,14,850	0.08	1.77
1001 to 2000	26	325	36273	4,55,558	0.09	1.13
2001 to 3000	4	96	9648	2,41,537	0.02	0.60
3001 to 4000	1	37	3300	1,30,981	0.01	0.32
4001 to 5000	0	32	0	1,44,396	0.02	0.36
5001 to 10000	1	59	7,024	4,33,148	0.00	1.07
Greater than 10000	0	85	0	3,34,39,906	0.00	82.67
TOTAL	11,597	1,32,936	3,98,848	4,00,51,244	0.99	99.01

Categories of Shareholding as on March 31, 2022

Name of Directors	No. of Shares	% of Equity Capital
Promoters and Promoter Group	1,90,55,998	47.11
Foreign Portfolio/Institutional Investors	91,66,615	22.66
FI, Banks and Insurance Companies	16,87,497	4.17
Mutual Funds	29,79,270	7.37
Resident Individuals	64,74,307	16.01
NRI/OCB	3,17,877	0.79
Bodies Corporate	7,07,046	1.75
Others	61,482	0.15
TOTAL	4,04,50,092	100.00

Outstanding GDRs / ADRs / Warrants / Any other Convertible Instruments

The Company does not have any outstanding GDRs / ADRs / Warrants / Any other Convertible Instruments as on March 31, 2022.

Disclosure of commodity price risks / foreign exchange risk and hedging activities

Risk Management Policy of the Company with respect to Commodities and Forex

Volatility in commodity prices is managed by combining a robust price forecast mechanism with a buying model comprising of spot buying, forward buying and strategic long-term contracts. Inventory levels are maintained in alignment to this. Since significant quantum of raw materials are procured from international sources, appropriate hedging mechanisms are in place to insulate forex fluctuations.

The Company manages the volatility in the foreign currency prices through hedging mechanisms. The exposure risk arises primarily due to the import and export activities of the Company as well as short-term and long-term borrowings in foreign currency. The Company has put in place a Policy for Foreign Exchange and Interest Risk Management which is duly approved by the Board of the Company. The Foreign Exchange Risk Management programme of the Company is carried out as per the said Policy and the Company uses forward contracts, derivatives, structured derivatives and swaps as hedging instruments. The Company is suitably insulated against the risk arising out of foreign currency fluctuations through appropriate hedging mechanisms and the same is monitored by the Board on a timely basis. The Company is in fully compliance with the Rules, Regulations and Guidelines, as may be applicable, prescribed by the Reserve Bank of India from time to time in this behalf.

Exposure of the Company to commodity and commodity risk faced throughout the year

The Company does not have any exposure hedged through commodity during FY 2021-22.

Plant Locations

Ambernath Plant	: Plot No G-2, Village - Bohonoli, Ambernath MIDC, Ambernath (East), Maharashtra 421506
Mumbai Plant	: Subhash Nagar Road, Bhandup (West), Mumbai, Maharashtra 400 078
Nashik Plant	: 82, MIDC Satpur, Nashik, Maharashtra 422 007
Halol Plant	: Village Getmuvala, Taluka Halol, Dist. Panchmahal, Gujarat 389 350
Nagpur Plant	: Plot No. SZ-39, MIDC Butibori, Nagpur, Maharashtra 441 108
Chennai Plant	: Kannanthangal Village, Maduramangalam Post, Sriperumbudur TK, Kancheepuram Dist., Tamil Nadu 602 108

Credit Ratings

During the year under review, the long-term credit rating of the Company was affirmed / assigned as 'AA' with 'Stable' outlook by its rating agencies viz. CARE Ratings Limited ('CARE') and India Ratings and Research Private Limited ('Ind-ra'). The rating has been reaffirmed even after considering the expected incremental long-term debt for the on-going expansions and greenfield project. The rating of AA indicates high degree of safety regarding timely servicing of financial obligations and very low credit risk. A 'Stable' outlook indicates expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

The short-term facilities (working capital limit) of the Company have been granted the rating of 'A1+' by CARE. The rating of 'A1+' indicates very strong degree of safety regarding timely payment of financial obligations and carries the lowest credit risk.

The ratings on Commercial Paper issue of the Company have been reaffirmed as 'A1+' by CARE and Ind-ra. Ind-ra confirmed the rating as IND AA / Stable for the purpose of issue of Non-convertible Debentures.

Disclosures with respect to Unclaimed Suspense Account

In accordance with Regulation 39(4) of the Listing Regulations (erstwhile Clause 5A of the Listing Agreement), the Company during the year 2013, had sent 3 (three) reminders to such shareholders whose shares were lying 'Undelivered / Unclaimed' with the Company and opened a demat suspense account with Keynote Capital Limited, a Depository Participant (hereinafter referred as 'Unclaimed Suspense Account'). As per the requirements of the said Regulations, the Company after completing the necessary formalities credited 1,40,918 such unclaimed equity shares of the Company pertaining to 4,738 shareholders to Unclaimed Suspense Account in the year 2013. Voting rights on such shares remain frozen till the rightful owner claims the shares.

As and when the beneficiary of such unclaimed shares approaches the Company, after verifying authenticity of the beneficiary, the Company transfers the shares from Unclaimed Suspense Account to respective beneficiary's demat accounts or issues a share certificate, as the case may be.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in Regulation 39(4) read with Schedule VI to the Listing Regulations.

The summary of Unclaimed Suspense Account for FY 2021-22 is as follows:

Sr. No.	Particulars	No. of shareholders	Outstanding shares
1.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2021	218	8,529
2.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2021-22	2	55
3.	No. of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year 2021-22	2	55
4.	No. of shareholders whose shares were transferred to IEPF Authority during the year 2021-22	216	8,474
5.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2022	0	0

Transfer of Unclaimed / Unpaid amounts and Shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the IEPF Rules'), dividend which remains unclaimed for consecutive 7 (seven) years from the date of transfer to unclaimed dividend account shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority.

During the year under review, unclaimed dividend amounting to ₹ 27.92 Lacs for dividend of FY 2013-14 and ₹ 13.53 Lacs for dividend maintained in CEAT Limited – Unclaimed Securities Suspense Account pursuant to Clause 5A of the Listing Agreement were transferred to the IEPF Authority on November 25, 2021 and November 27, 2021 respectively.

Further, as provided under the IEPF Rules, the Company on December 21, 2021 in compliance with the due procedure of the said rules, transferred 13,242 shares of 398 Shareholders to the demat account of IEPF Authority,

in respect of which dividend had not been claimed for 7 (seven) consecutive years.

As required under the IEPF Rules, 10,392 shares of 38 cases (dividend amounting to ₹ 1.03 Lacs) were retained by the Company on account of specific orders of court or Tribunal or statutory Authority restraining any such transfer of shares and payment of dividend.

Shares including dividends and other benefits accruing thereon which have been transferred to IEPF Authority can be claimed from IEPF Authority after following the procedure prescribed under the provisions mentioned above and no claim shall lie against the Company or its Registrar and Transfer Agents.

Member(s) who have not encashed / claimed their dividend of FY 2014-15 or any subsequent financial years are requested to submit their claims to the office of the Registrar and Transfer Agents, on or before September 8, 2022, to avoid any transfer of dividend or shares to the IEPF Authority.

Mandatory Bank details for Payment of Dividend

As per Regulation 12 of the Listing Regulations, the Company is providing the facility for payment of dividend through electronic mode permissible by the Reserve Bank of India. The dividend amount will thereby directly be credited to the Member's bank account, maintained with Registrar and Transfer Agents in case of shares held in physical mode or maintained with the Depository Participants in case of shares are held in demat mode.

This facility ensures speedier credit of the dividend amount and eliminates the risk of loss / interception of dividend warrants in postal transit and / or fraudulent encashment of Dividend warrants. Members are requested to avail of the facility by registering their complete and correct bank details viz. name of the Bank, full address of the branch, core banking account number and account type, 9-digit MICR and 11 digits IFSC against the bank account.

The request for registration of the Bank details should be accompanied by an original cancelled cheque bearing the name of the first shareholder as the account holder and should be sent to TSR Consultants Private Limited, Registrar and Transfer Agents of the Company in case the shares are held in physical form and to your Depository Participant in case shares are held in demat mode.

Registration of PAN for deduction of tax

Pursuant to the Finance Act, 2020, dividend income for resident shareholders in excess of ₹ 5,000/- for the financial year will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to such shareholders at the prescribed rates. Members are requested to note that in case their PAN is not registered with the Company / RTA / DP, the tax will be deducted at a higher rate of 20%. Members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and Depository Participants (in case shares held in demat mode).

Voting through electronic means

Pursuant to Section 108 of the Act and the Rules made thereunder and provisions under the Listing Regulations, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with NSDL, the authorised agency for this purpose, to facilitate such e-voting for its Members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 and MCA Circulars, the Company will also provide e-voting facility for Members attending the AGM through VC or OAVM.

Shareholders, who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be Tuesday, June 21, 2022 and the remote e-voting shall be open for a period of three days, from Saturday, June 25, 2022 (9.00 a.m.) till Monday, June 27, 2022 (5.00 p.m.).

The Board has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhaliwala (FCS 8331, CP 9511), or failing him Ms. Sarvari Shah (FCS 9697, CP 11717) of Parikh & Associates, Practising Company Secretaries, as Scrutinizer for the e-voting process. Detailed procedure is given in the Notice of the 63rd AGM and is also placed on the Company's website at www.ceat.com

Annexures to the Corporate Governance Report

Declaration on the Code of Conduct

[Regulation 34(3) read with Schedule V (Part D) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have for the year ended March 31, 2022, affirmed the compliance with the Code of Conduct laid down in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For CEAT Limited

Anant Goenka
Managing Director

Place: Mumbai
Date : May 5, 2022

Practising Company Secretaries' Certificate on Corporate Governance

TO THE MEMBERS OF
CEAT LIMITED

We have examined the compliance of the conditions of Corporate Governance by CEAT Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI the Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI the Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000272764
PR No.: 1129/2021

Place: Mumbai
Date: May 5, 2022

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
CEAT LIMITED
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CEAT Limited** having **CIN L25100MH1958PLC011041** and having registered office at 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Particulars	DIN	Date of Appointment in Company*
1.	H. V. Goenka	00026726	16/10/1981
2.	Anant Goenka	02089850	01/04/2012
3.	Arbab Banerjee	06559516	07/05/2013
4.	Atul C. Choksey	00002102	28/01/2000
5.	Haigreve Khaitan	00005290	29/07/1999
6.	Mahesh S. Gupta	00046810	02/05/2002
7.	Paras K. Chowdhary	00076807	25/10/2021
8.	Pierre E. Cohade	00468035	01/02/2018
9.	Ranjit Pandit	00782296	03/03/2015
10.	Vinay Bansal	00383325	24/07/2009
11.	Priya Nair	07119070	27/10/2020

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000272742
PR No.: 1129/2021

Place: Mumbai
Date: May 5, 2022

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:	L25100MH1958PLC011041
2. Name of the Company:	CEAT Limited
3. Registered address:	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
4. Website:	www.ceat.com
5. Email ID:	investors@ceat.com
6. Financial Year reported:	2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	22111 - Manufacture of rubber tyres and tubes for motor vehicles, motorcycles, scooters, three-wheelers, tractors
8. List three Key products / services that the Company manufactures / provides (as in balance sheet):	Tyres, Tubes and Flaps
9. Total number of locations where business activity is undertaken by the Company:	
(a) Number of International Locations:	4 (four): Representative offices in Indonesia, United Arab Emirates, Philippines and Frankfurt, Germany (R&D Centre)
(B) Number of National Locations:	Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030 Factories: 6 (six) Regional Offices: 35 (thirty-five) Zonal Offices: 6 (six)
10. Markets Served by the Company - Local / State / National / International:	India and Internationally at over 110 (hundred and ten) countries

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (₹)	4,045 Lacs
2. Total Turnover (₹)	9,31,263 Lacs
3. Total Profit After Taxes (₹)	5,433 Lacs
4. Total Spending on Corporate Social Responsibility ('CSR') as a percentage of profit after tax (%)	14.76%
5. List of activities in which expenditure in 4 above has been incurred	CSR activities of the Company are carried out through Implementing Agency i.e. RPG Foundation, a Public Charitable Trust recognised for the purpose of CSR, broadly in the area of Education, Health care, Community Development, Skilling, Employability, Women Empowerment and Heritage Conservation. The list of activities in which CSR expenditure stated in point 4 above has been incurred is part of the Board's Report included in this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary company / companies?	Yes
2. Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)	Business Responsibility ('BR') initiatives of the Company and its subsidiaries are guided by the Code of Corporate Governance and Ethics. The Company encourages its subsidiaries to carry out BR initiatives.
3. Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages responsible and sustainable business practices and supports such initiatives. All entities (e.g. suppliers, distributors, etc.) that the Company does business with make an active attempt to participate in the BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director / Directors responsible for the implementation of the BR policy / policies

The Board of Directors particularly the Managing Director is responsible for the Business Responsibility initiatives.

(b) Details of BR Head:

No.	Particulars	Details
1.	DIN	02089850
2.	Name	Mr. Anant Goenka
3.	Designation	Managing Director
4.	Telephone number	022 - 2493 0621
5.	Email ID	investors@ceat.com

2. Principle-wise (as per NVGs) BR Policy / Policies

CEAT drives its business through Speed and Agility which is an integral part of the dynamic expectations of various stakeholders. CEAT identifies material ESG issues by interaction with various stakeholders and resolves them through our Corporate Social Responsibility ('CSR') and sustainability initiatives. CEAT has ensured that sustainable products go as input and plans to increase the portion of such products year-on-year which will ensure clean and sustainable outputs. This will enhance further through product life cycle assessment and helping CEAT to stand by its purpose statement 'Making Mobility Safer & Smarter. Every Day.'

The Company drives its business in line with the 9 (nine) principles prescribed under the National Guidelines on Responsible Business Conduct ('NGRBC'), as detailed in this Report.

(a) Details of compliance (Reply in Y / N)

No. Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles of NGRBC, the Companies Act, 2013 and International Standard ISO 14001, OHSAS 18001 as applicable to the respective policies.								
4. Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link for the policy to be viewed online.	For the detailed Policies please refer to the website of the Company at: https://www.ceat.com/investors/corporate-governance.html								
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the Company carried out an independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No. Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. The Company has not understood the Principles									
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The Company does not have financial or manpower resources available for the task								Not Applicable	
4. It is planned to be done within the next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

3. Governance related to Business Responsibility (BR)

The Board of Directors review the BR initiatives, the Audit Committee reviews the Whistle Blower Policy of the Company, the CSR Committee reviews the CSR policy and the CSR initiatives undertaken by the Company, periodically or on a need basis.

The Company has been publishing BR Report on an annual basis as a part of the Annual Report from FY 2016-17. From FY 2019-20, the Company has started publishing the Integrated Report prepared in alignment with the <IR> Framework developed by the International Integrated Reporting Council ('IIRC'). Detailed reporting for FY 2021-22 forms part of this Annual Report, which can also be accessed on the website of the Company at www.ceat.com

integrity, responsibilities relating to society, stakeholders and the environment. The Company periodically cascades the principles under the Code across the organisation. Concerns and issues related to this framework are reviewed and dealt with by the CGEC periodically. A dedicated email ID ethics@rpg.in is provided for reporting grievances and violations of the said Code to the CGEC. The report of the CGEC is placed before the Audit Committee as deemed necessary.

Additionally, the Company has formulated a Code of Conduct for Board Members and Senior Management for ethical and transparent behaviour to achieve the highest standards of corporate governance.

The Company has adopted a Whistle Blower Policy which provides a framework through which the Directors and employees as well as external stakeholders viz. customers, vendors, suppliers, outsourcing partners etc. may report, directly, their concern, suspected fraud or any irregularity in the Company practices which are in violation of the Code of Conduct prescribed in this regard.

During FY 2021-22, 1 (one) complaint was received in last quarter of FY 2021-22 by the Ethics Committee under Whistle Blower Policy and Vigil Mechanism and the same was pending at the end of the financial year.

Principle 2: Product Lifecycle Sustainability

The lifecycle of the product covers the entire value chain from sourcing of raw materials to manufacturing, distribution, consumer use and disposal. The Company has focused on integrating sustainability at each stage of the product life cycle. This concept is important and vital to the Company's success. The Company emphasizes on concepts in designing and manufacturing of tyres enabled with digital technology, extended mobility, tyres with longer life, fuel-efficient environmentally friendly tyres which also ensures customer safety and comfort.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The Company is part of the RPG Group, a group that has always stood for conducting business responsibly, honestly and ethically. RPG Group has laid down the Code of Corporate Governance and Ethics ('the Code') applicable and adopted by the Company. The Code has outlined the principles of corporate governance that will apply in managing day to day affairs of the Company. The Group has set up the Corporate Governance and Ethics Committee ('the CGEC') which acts as a central body for monitoring this Code. The Code, *inter alia*, prescribes that all the activities and business affairs conducted by the Company should be free from the influence of corruption and bribery. The Code is extended to its subsidiaries, joint venture and its business partners to a certain extent.

The Company believes in an environment of mutual respect, fairness, transparency and integrity and is committed to conduct its business with ethics and transparency. Towards this goal, the Company has devised various policies including the Code, covering principles of business

The degree of sustainability is largely determined during the beginning of the life stage of the product lifecycle in which the product is designed and developed. Based on the very same principle, the Company has developed its products which are safe for environmental and sociological aspects throughout its lifecycle. It has developed several new green resources for various types of raw materials that follow international norms and standards like Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), End of Life Vehicles (ELV), Conflict Minerals Reporting Template (CMRT).

The Company has several projects around product stewardship for manufacturing and supply chain. The Company has intelligent and low-weight tyres, reduction in rolling resistance for better fuel economy for consumers. The Company's product complies with substance of concerns, label rating of products with the local and global markets.

The Company always promotes local and domestic (local and small-scale industries) resources for their business enrichment and has identified local small-scale industries which have capability / resources and encourage them to come up with the products of international benchmark for mutual benefits. The Company is engaging with local partners in India for procurement of raw material, new materials for developing technologies for green environment (e.g. rubber chemicals, new generation silica, wax and process oils and new generation fillers), developing newer digital technologies (e.g. simulation, automation, virtual reality etc.) to promote local and domestic businesses.

Among its various products, the following products / services have contributed to reducing environmental hazards:

1. Material development
 - a. REACH compliance raw materials: Reduction in environmental hazards
 - b. Fossil free and recycled material usage
2. Low Rolling Resistance Tyres – WinFuel (commercial radial category) Series, 10% reduction in Fuelsmart platform (Passenger Car category)
3. High Mileage tyres: Milaze X3 (1.0 Lakh) series in passenger category
4. High Grip tyres: Puncture safe tyres in 2-wheeler category and SportDrive (High grip tyres for passenger category – Higher A label as per EU norms) for social safety
5. Intelligent Tyres (IoT), CEAT has developed Intelligent Tyres with embedded sensors which will be used to monitor the real time load on tyre, speed, distance run, impact on fuel efficiency, status of wheel alignment, detection of tyre health before failure
6. Color Tread Wear Indicator Tyre Development: New way to indicate customers for Tyre change
7. Cavity Low-noise Mode (CALM) Tyre: To keep the in-cabin noise levels lower than the conventional tyres.

For more details please refer the Intellectual Capital section of the Annual Report.

During the year 2021-22, the Company used approximately 9,449 MT (Metric tons) being 2.42% of the total production of reclaimed rubber of different forms in its products.

Principle 3: Employee Wellbeing

The Company emphasizes the importance of safety both at the workplace and outside it to create a working environment that supports employees' personal lives while meeting the Company's objectives. Employees are encouraged to maintain a healthy 'work-life balance' by providing them with flexible working hours. Employees for whom work from home option can be provided are given the option to do so. The Company with the help of dedicated Chief Fitness Officer has rolled out various initiatives in the physical and mental health space which are aimed at improving the overall quality of life of the employees. The Company also has hobby clubs to encourage them to fulfill their passion / hobbies.

The Company has increased its discussions on diversity and inclusion and has function-wise diversity targets. This year, there was an increase in women hiring (approximately 32%) and the Company welcomed 7 transgenders to be a part of its workforce. The Company is proud of these initiatives.

The Company continued its focus on training, skilling and other HR initiatives. The Company provided training to not only its permanent workforce but also to temporary employees, workmen and other such contractual employees. More details on the Human Resources Initiatives are given in the Human Capital section, which forms part of this Annual Report.

As on March 31, 2022, the Company had total 7,622 permanent employees including 915 women and 29 differently abled. Besides this, the Company has 792 people employed on a contractual basis.

Currently, there is 1 (one) recognised employee association across the Company and 1,919 workmen are its members constituting 25.18% of the total permanent employees.

There were no complaints relating to child labour, forced labour, involuntary labour pending at the beginning of the financial year, received during and pending as at the end of the FY 2021-22. During the year under review, 2 (two) complaints were received by the Internal Complaints Committee formed pursuant to the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were closed.

Principle 4: Stakeholder Engagement

The Company understands its responsibility and accountability to various stakeholders as a publicly listed enterprise. The Company lives by 'Making Mobility Safer & Smarter. Every Day.' which is beneficial to various stakeholders.

The Company is continuously engaged in understanding customers' needs and preferences in this continuously evolving market and ensures smooth communication with its vendors and suppliers to address their feedback and concerns. The Company has created various channels of communication for the customers through website or through mobile application-based services. Dealer portal is created to connect with the dealers and similarly vendor portal exists to collaborate with the vendors.

The Company ensures highest level of corporate governance and shares its profits in the form of dividends to cater to the shareholders and investors. For this, the Company regularly interacts with the shareholders and investors through investor calls, results announcements, media releases and interactions, Company's website and the quarterly and annual reports. The Investor Relations team also regularly interacts with investors and analysts through quarterly results calls, one-on-one and group meetings participation at investor conferences, road shows and RPG investor meets etc. The Annual General Meeting is also a forum where the shareholders of the Company engage directly with the Board of Directors and get answers to their queries on Company's business.

Community engagement is at the forefront for the Company and it takes various initiatives for community development, primarily in the areas of Education, Health, Women Empowerment and Skill Development, etc.

There are various policies for the internal as well external stakeholders of the Company such as CSR Policy, Policy on Code of Conduct for Board Members and Senior Management, Whistle Blower Policy for External Stakeholders etc. through which the stakeholder's engagement with the Company is encouraged.

More details on the Stakeholders Engagement are given in the Integrated Report, which forms part of this Annual Report.

Principle 5: Human Rights

The Company believes in its responsibility to respect human rights by playing an affirmative role in the communities it operates. The Company is committed to providing a platform where fundamental rights of all the stakeholders are protected. The Company duly endorses the human rights element of the Constitution of India and various global laws and regulations. The Company believes in providing equal employment opportunities based on talent and meritocracy without any discrimination. The Fundamental human rights of all the stakeholders are protected and the Company stands committed to human rights while engaging with its employees, business partners and suppliers. The Company expects and encourages its partners, suppliers and contractors to fully respect human rights and strictly avoid any violation of human rights. All stakeholders including employees impacted by the business have full

right and access to the grievance redressal mechanisms introduced by the Company.

The Company upholds the principles of human rights and fair treatment through various policies adopted by it such as the Code of Corporate Governance and Ethics, Policy on Prevention of Sexual Harassment at Workplace, Corporate Social Responsibility Policy and various HR Policies.

The program Swayam focuses on short term courses, of 3 to 6 months duration, that help beneficiaries enter the world of work quickly. Most of the beneficiaries trained under Swayam are first time job seekers – Swayam enables them to become financially independent and lead respectful lives. In FY 2021-22 the Swayam Health program helped 1,617 candidates across locations. Swayam Drive helped in training of 564 candidates. Swayam programs also help candidates to make their career in healthcare sector and improve their standard of living.

The Community development initiatives helped in providing ration kits, vaccination drives, installation of fever clinics among many other initiatives. In FY 2021-22, total 1,40,549 patients visited Fever Clinics and 5,412 COVID vaccination doses were given.

There were no complaints or grievances received against the Company concerning human rights violations.

Principle 6: Environment

The Company's Environment vision is to 'reduce carbon footprint by 50% by the year 2030'. To achieve this goal, the Company has identified problem areas and worked towards the solutions. The Company invests a lot of time, effort and resources to make this goal a reality.

The Company is increasingly moving towards incorporating changes such as green energy, green buildings, reducing GHG emissions, disposing waste properly, optimising water use. The Company has ensured changes in its manufacturing processes of which one example is the increased use of cleaner materials like silica replacing the polluting carbon black. The Company ensures compliance with all relevant Laws and Regulations. The Company has various mechanisms to monitor, comply and adapt to changes in legislation.

The Company follows clearly defined process to identify and evaluate Environmental 'Risk and Opportunity' which includes environmental aspects and associated impacts, needs and expectations of relevant Internal and external stakeholders and internal and external issues relevant to the context of the Company. All the manufacturing plants of the Company have implemented Environmental Management System (ISO 14001:2015) Certification Standard. Further, 3 out of 6 manufacturing plants located at Bhandup, Nashik and Nagpur have implemented the Energy Management System (ISO 50001:2018) Certification Standard and others are in the process of implementing such standards.

Various initiatives aligned with the sustainability focus areas are aimed to address the environmental challenges. The Company ensures that the value chain is based on the 4R's: 'Reduce, Reuse, Recycle and Recover.' The Company has ensured 'water stewardship' across all its manufacturing units. The Nagpur, Chennai and Ambernath Plants are 'Zero Liquid Discharge' Plants. Solar panels are deployed across all the plants, renewable energy contributes to 26% of the total consumption, various energy saving initiatives are taken up to reduce GHG emissions. The Company's Chennai plant has planted more than 11,000 trees and more than 7,000 shrubs in and around its plant periphery.

During the year under review, the emissions / waste generated by the Company was within the permissible limits given by the Central Pollution Control Board ('CPCB') / State Pollution Control Board ('SPCB'). During the year, the Company has not received any show cause / legal notice.

More details on the Environmental aspect of the Company and initiatives taken are described under the Integrated Report section which forms part of this Annual Report.

Principle 7: Policy Advocacy

The Company is responsible for its actions and understands its implications on the public and society at large. The Company ensures that its actions and initiatives create a positive impact on the society and its various stakeholders. As an OEM of tyres, internal safety at manufacturing units and road safety is of utmost importance. The Company has engaged in safety initiatives and campaigns in the past and continues to do so through various mediums. By combining its own actions with external advocacy on public matters and jointly working with Corporate Social Responsibility partners, the Company is seeking transformational change. The Company is well represented in industry and trade / business associations.

Principle 8: Inclusive Growth

The Company has a dedicated Corporate Social Responsibility ('CSR') Policy, which is the guiding principle for the Company's CSR initiatives. The Company believes in creating Social Value by engaging with local communities around its operations. The Company has structured CSR project implementation and monitoring mechanism under RPG Foundation.

The Company has implemented various programs in association with RPG Foundation by creating value for the community with focus on Education, Employability - Swayam, Community Development and Heritage programs.

In FY 2021-22, the Company has transformed the lives of 1,68,242 people through various initiatives such as distribution of ration kits, vaccination drives for communities around Bhandup, donation of oxygen concentrators and installation of 25 fever clinics with National Health Mission.

Under Company's flagship initiative on education 'Pehlay Akshar', a total of 2,226 teachers were trained, with 690 Training Sessions, 2,318 Sathi Sessions conducted with Teachers and a total of 117 Students participating in Virtual Schooling Program in FY 2021-22.

More details on CSR initiatives impact on the community are listed in detail in the Annual Report on CSR activities and Integrated Report which form part of this Annual Report.

Principle 9: Customer Value

The Company's management regularly engage in discussions to improve products and processes. With the introduction of sustainability, the Company has ensured to use best practices in the business processes. This helps deliver value to customers as they are increasingly focused to engage in business relationships that follow sustainable practices. The Company has improved its manufacturing and sales processes and thereby delivering better quality products and adding value to customers.

The Company continues to focus on upscaling the in-shop purchases and also provides the online services or road-side assistance through a dedicated phone line service. In addition to the distribution channels like CEAT Shoppes and CEAT Hubs, the Company strongly reached out to the customers to offer ultimate service experience which goes beyond tyres through the Fleet Advisory Services initiative.

The Company measures the Net Promoter Score (NPS) to understand the customer experience and how likely they are to refer the Company's Products. The Company ensures innovations and Quality Based Management in its processes to ensure quality products in the world of Automobiles. The Company not only caters to its local customers but also to its international customers in the form of exports to over 110 countries.

The Company is committed to create delightful customer journeys through transparent, convenient and quick way to provide claim replacement to the customers. The Company has an e-claim mobile application for claim resolution. It typically resolves the customer claims in less than an hour.

As of March 31, 2022, about 0.53% of the total customer complaints received during the year were outstanding.

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of CEAT Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance

with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	Auditor's Response
<p>Significant estimates and judgment relating to capitalisation of property, plant and equipment (refer note 2.7 (accounting policy), note 3 (financial disclosures) to the Ind AS financial statements)</p> <p>As a part of ongoing expansion plan, the Company has incurred significant capital expenditure mainly on greenfield project at Chennai and brownfield expansion at Halol, Nagpur and Ambernath plants. The capital expenditure requires consideration of the nature of costs incurred to ensure that capitalization of property, plant and equipment meets the specific recognition criteria under Ind AS 16, 'Property, Plant and Equipment' and also judgement is involved in assigning appropriate useful economic lives to respective assets.</p> <p>As a result, this was noted as a key audit matter, considering the significance of amounts involved.</p> <p>As disclosed in Note 3 to the standalone Ind AS financial statements, as at March 31, 2022 the carrying value of property, plant and equipment including capital work-in-progress is ₹ 5,87,865 Lacs.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We examined the nature of property, plant and equipment capitalised by the Company to verify that the assets capitalised meets the recognition criteria set out in Ind AS 16 We evaluated and tested the design effectiveness and operating effectiveness of internal controls with respect to the capitalization of property plant and equipment We examined the useful economic lives and residual value assigned to assets capitalised during the year with reference to the Company's historical experience and technical evaluation and our understanding of the Company's business. We compared the capitalisations during the year to approved budgets; We assessed the disclosures in the standalone Ind AS financial statements relating to capitalisation of property, plant and equipment

Corporate Overview
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Key audit matters

Significant estimates and judgment relating to capitalisation (financial disclosures) to the Ind AS financial statements)

Intangible Asset and Intangible asset under development are deemed significant to our audit as specific criteria needs to be met for capitalization. This involves management judgment, such as technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication of impairment of the carrying value of assets, requires management judgment and assumptions which are affected by future market or economic developments.

Significant estimates and judgment relating to Litigation, claims and contingencies [refer note 2.21 (accounting policy), note 20 and note 38 (financial disclosures) to the Ind AS financial statements]

The Company is involved in material legal proceedings including direct and indirect taxes, contracts and other regulatory matters relating to conduct of its business.

The Company assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The aforesaid assessment involves significant judgement and estimates.

The evaluation of management's judgments, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise and the quantification of potential financial impact have been a matter of most significance during the current year audit. Evaluation of the outcome of legal proceedings and whether the risk of loss requires significant judgment by management given the complexities involved.

Auditor's Response

of intangibles (refer note 2.8 (accounting policy), note 5

Our audit procedures included the following:

- We examined the nature of intangible assets capitalised by the Company to verify that the assets capitalised meets the recognition criteria set out in Ind AS 38
- We evaluated and tested the design effectiveness and operating effectiveness of internal controls with respect to the capitalization of intangible assets and intangible assets under development
- We tested the amortization charge and estimate of useful life of Intangible asset.
- We compared the capitalisations during the year to approved budgets.
- We assessed the disclosures in the standalone Ind AS financial statements relating to capitalisation of intangible assets and intangible assets under development

Our audit procedures included the following:

- We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax and other demands, proceedings and investigations and related provisions and disclosures.
- We obtained a list of litigations and claims from the Company's tax and legal head. We identified material litigations from the list and performed inquiries with the said tax and legal head on the management evaluation of these material litigations.
- In relation to the material litigations, claims and contingencies, we involved our legal/tax specialists to perform an independent assessment of the conclusions reached by management.
- We obtained independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and demands. We evaluated the independence, objectivity and competency of the Company's external lawyers/advisors involved.
- We evaluated the management's assumptions, estimates and judgments used in the calculations of provision for litigation, claims and contingencies and related disclosures in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements,

including the disclosures and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 20 and 38(a) to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19, 24 and 47 to the standalone Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the

Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 17 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 22041870AILNMB8087

Place of Signature: Mumbai
Date: May 05, 2022

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties (other than self-constructed buildings and properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in note 22(c) to the financial statements, the Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the investments made are not prejudicial to the Company's interest. Further the Company has not provided guarantees, security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made. Further the Company has not provided any loans, guarantees and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order in this regard has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of rubber tyres, tubes and flaps for all types of vehicles and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues of goods and service tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ in Lacs)

Name of the statute	Period to which the amounts relates	Commissionerate	Appellate authorities and Tribunal	High Court	Supreme Court	Deposit	Net Amount
Central Excise Act/ Customs Act (Tax/Interest/ Penalty)	1974-2017	568	4,230	-	-	142	4,656
Service Tax under the Finance Act, 1994 (Tax/ Interest/ Penalty)	2004-2017	-	1,906	51	-	71	1,886
Income Tax Act (Tax/ Interest/ Penalty)	2013-2019	949	-	-	-	180	769
Sales Tax, VAT, CST (Tax/ Interest/ Penalty)	1987-2018	3,141	2,350	-	-	582	4,909
Good and Services Tax Act, 2017 (Tax)	2017-2020	73	79	18	-	21	149
		4,731	8,565	69	-	996	12,369

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given by the management, the term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(x)(b) of the order are not applicable to the company and hence, not commented upon.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) of the order are not applicable to the Company and hence not commented upon.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- ((xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi)(a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that

any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33(2) to the financial statements.

- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 33(2) to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870
UDIN: 22041870AILNMB8087

Place of Signature: Mumbai
Date: May 05, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CEAT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of CEAT Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit

of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870

UDIN: 22041870AILNMB8087

Place of Signature: Mumbai

Date: May 05, 2022

Corporate
Overview

Value
Creation

Statutory
Reports

Financial
Statements

Balance Sheet

as at March 31, 2022

Particulars	Note	As at	
		March 31, 2022	March 31, 2021
(₹ in Lacs)			
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,11,706	4,55,681
(b) Capital work-in-progress	3	76,159	70,288
(c) Right-of-use asset	4	12,379	10,783
(d) Intangible assets	5	8,809	9,854
(e) Intangible assets under development	5	4,661	2,500
(f) Financial assets			
(i) Investments	6	12,602	11,811
(ii) Other financial assets	7	959	891
(g) Non-current tax assets (net)	21	5,855	5,650
(h) Other non-current assets	8	5,588	4,636
Total non-current assets		6,38,718	5,72,094
(2) Current assets			
(a) Inventories	9	1,28,651	1,11,250
(b) Financial assets			
(i) Trade receivables	10	1,15,287	92,226
(ii) Cash and cash equivalents	11	1,300	1,956
(iii) Bank balances other than cash and cash equivalents	12	367	595
(iv) Other financial assets	13	6,381	4,124
(c) Other current assets	14	5,386	8,257
Total current assets		2,57,372	2,18,408
Total assets		8,96,090	7,90,502
II Equity And Liabilities			
(1) Equity			
(a) Equity share capital	15	4,045	4,045
(b) Other equity	16	3,10,982	3,12,429
Total equity		3,15,027	3,16,474
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,71,916	1,34,104
(ii) Lease liabilities	4	8,047	6,690
(iii) Other financial liabilities	19	4,163	1,267
(b) Provisions	20	4,114	4,494
(c) Deferred tax liability (net)	21	30,795	26,560
Total non-current liabilities		2,19,035	1,73,115
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	35,224	5,604
(ii) Lease liabilities	4	5,162	4,807
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		8,044	9,090
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,07,456	1,74,497
(iv) Other financial liabilities	24	80,837	80,791
(b) Provisions	20	12,479	10,758
(c) Current tax liabilities (net)	21	1,372	4,456
(d) Other current liabilities	25	11,454	10,910
Total current liabilities		3,62,028	3,00,913
Total equity and liabilities		8,96,090	7,90,502
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah
 Chief Financial Officer

H.V.Goenka
 Chairman

Anant Goenka
 Managing Director

per Sudhir Soni
 Partner
 Membership Number : 41870

Vallari Gupte
 Company Secretary

Mahesh Gupta
 Chairman- Audit Committee

Place: Mumbai
 Date: May 05, 2022

Place: Mumbai
 Date: May 05, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Note	As at	
		2021-22	2020-21
(₹ in Lacs)			
I Income			
Revenue from operations	26	9,31,263	7,57,279
Other income	27	2,819	3,180
Total income		9,34,082	7,60,459
II Expenses			
Cost of material consumed	28	6,18,690	4,17,376
Purchase of stock-in-trade		756	1,009
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(18,234)	6,743
Employee benefit expense	30	68,426	66,713
Finance costs	31	20,397	17,305
Depreciation and amortisation expenses	32	43,514	33,958
Other expenses	33	1,91,518	1,68,059
Total expenses		9,25,067	7,11,163
III Profit before exceptional items and tax		9,015	49,296
IV Exceptional items	34	1,291	3,406
V Profit before tax		7,724	45,890
VI Tax expense	21		
Current tax		(1,810)	3,660
Deferred tax		4,101	866
VII Profit for the year		5,433	41,364
VIII Other Comprehensive Income			
(a) Items that will not be reclassified subsequently to statement of profit and loss			
(i) Remeasurements gains / (losses) on defined benefit plans		592	391
(ii) Income tax relating to above		(149)	(98)
(b) Items that will be reclassified subsequently to statement of profit and loss			
(i) Net movement of cash flow hedges		(56)	(1,759)
(ii) Income tax relating to above item		14	516
Total other comprehensive income / (loss) for the year		401	(950)
IX Total Comprehensive Income for the year (Comprising profit and other comprehensive income / (loss) for the year)		5,834	40,414
X Earnings per equity share (of face value of ₹ 10 each)	36		
(a) Basic (in ₹)		13.43	102.26
(b) Diluted (in ₹)		13.43	102.26
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah
 Chief Financial Officer

H.V.Goenka
 Chairman

Anant Goenka
 Managing Director

per Sudhir Soni
 Partner
 Membership Number : 41870

Vallari Gupte
 Company Secretary

Mahesh Gupta
 Chairman- Audit Committee

Place: Mumbai
 Date: May 05, 2022

Place: Mumbai
 Date: May 05, 2022

Statement of Cash Flow

for the year ended March 31, 2022

Particulars	₹ in Lacs	
	2021-22	2020-21
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,724	45,890
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	43,514	33,958
Interest income	(256)	(467)
Finance costs	20,397	17,305
Dividend income	(1,729)	(1,826)
Provision for obsolescence of stores and spares	(85)	336
Allowance for doubtful debts and advances	(338)	100
(Profit) / Loss on disposal of property, plant and equipment (net)	1,072	835
Gain arising on investments measured at fair value through profit or loss	(13)	-
Unrealised foreign exchange (gain) / loss (net)	(81)	167
Provision for unusable inventories (Refer note 34)	-	407
Unrealised Losses due to fluctuations in Srilanka currency (Refer note 34)	332	-
Operating profit before working capital changes	70,537	96,705
Adjustments for :		
Decrease / (Increase) in inventories	(17,316)	(20,451)
Decrease / (Increase) in trade receivables	(22,689)	(26,169)
Decrease / (Increase) in other current assets and other financial assets	1,195	2,946
Decrease / (Increase) in other non-current assets and other financial assets	(243)	(358)
(Decrease) / Increase in trade payables	32,030	71,890
(Decrease) / Increase in current financial liabilities and other current liabilities	(723)	15,626
(Decrease) / Increase in non-current financial liabilities	(11)	80
(Decrease) / Increase in current provisions	2,313	(1,053)
(Decrease) / Increase in non-current provisions	(380)	486
Cash flows from operating activities	64,713	1,39,702
Direct taxes paid (net of refunds)	(1,480)	(4,585)
Net cash flow generated from operating activities (I)	63,233	1,35,117
II CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in progress, intangible assets under development and capital advance)	(95,869)	(64,271)
Proceeds from sale of property, plant and equipment	290	28
Withdrawal/(Investment) of margin money deposit with banks	35	8
Changes in other bank balances	228	52
Investment in Associates	(380)	(728)
Purchase of other non current investments	(398)	-
Interest received	256	467
Dividend received	816	1,826
Net cash flow (used in) investing activities (II)	(95,022)	(62,618)

Statement of Cash Flow

for the year ended March 31, 2022

Particulars	₹ in Lacs	
	2021-22	2020-21
III CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(19,129)	(16,014)
Proceeds / (repayment) of short-term borrowings (net)	21,361	(21,506)
Proceeds from long-term borrowings	51,622	26,164
Repayment of long-term borrowings	(5,551)	(55,768)
Payment of Lease Liabilities	(9,710)	(5,626)
Dividend paid	(7,460)	(38)
Net cash flows (used in)/ generated from financing activities (III)	31,133	(72,788)
Net increase / (decrease) in cash and cash equivalents (I + II + III)	(656)	(289)
Cash and cash equivalents at the beginning of the year (refer note 11)	1,956	2,245
Cash and cash equivalents at the end of the year (refer note 11)	1,300	1,956

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah

Chief Financial Officer

H.V.Goenka

Chairman

Anant Goenka

Managing Director

per Sudhir Soni

Partner

Membership Number : 41870

Vallari Gupte

Company Secretary

Mahesh Gupta

Chairman- Audit Committee

Place: Mumbai

Date: May 05, 2022

Place: Mumbai

Date: May 05, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

Particulars	Other equity						Total other equity	Total equity	
	Equity share capital*	Securities premium (refer note 16(a))	Capital Reserve (refer note 16(b))	Capital redemption reserve (refer note 16(c))	General Reserve (refer note 16(e))	Retained earnings (refer note 16(f))			Cash flow hedge reserve (refer note 16(d))
As at April 01, 2020	4,045	56,703	1,177	390	25,178	1,88,037	530	2,72,015	2,76,060
Profit for the year	-	-	-	-	-	41,364	-	41,364	41,364
Other comprehensive income	-	-	-	-	-	293	(1,243)	(950)	(950)
Total comprehensive income	-	-	-	-	-	41,657	(1,243)	40,414	40,414
As at March 31, 2021	4,045	56,703	1,177	390	25,178	2,29,694	(713)	3,12,429	3,16,474
Profit for the year	-	-	-	-	-	5,433	-	5,433	5,433
Other comprehensive income	-	-	-	-	-	443	(42)	401	401
Total comprehensive income	-	-	-	-	-	5,876	(42)	5,834	5,834
Payment of dividend (refer note 17)	-	-	-	-	-	(7,281)	-	(7,281)	(7,281)
As at March 31, 2022	4,045	56,703	1,177	390	25,178	2,28,289	(755)	3,10,982	3,15,027

* Changes in equity share capital due to prior period errors for the year ended March 31, 2022 is Nil (March 31, 2021: Nil).*

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per Sudhir Soni
Partner
Membership Number : 41870

Place: Mumbai
Date: May 05, 2022

Kumar Subbiah
Chief Financial Officer

H.V.Goenka
Chairman

Mahesh Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

For and on behalf of Board of Directors of CEAT Limited

Notes to Financial Statements

for the year ended March 31, 2022

Note 1: Corporate information

CEAT Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's principal business is manufacturing of automotive tyres, tubes and flaps. The Company started operations in 1958 as CEAT Tyres of India Limited and was renamed as CEAT Limited in 1990. The Company caters to both domestic and international markets. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at RPG House, 463, Dr Annie Besant Road, Worli, Mumbai, Maharashtra 400030. The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 05, 2022.

Note 2: Basis of preparation, measurement and significant accounting policies.

2.1 Basis of preparation and measurement

2.1.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act 2013 (Ind AS compliant Schedule III).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in "₹", the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirements of Schedule III of the Companies Act, 2013, unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand.

2.1.2 Measurement

These financial statements are prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Revenue recognition

2.3.1 Revenue from contracts with customers

Revenues from contracts with customers are recognised when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company acts as the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Notes to Financial Statements

for the year ended March 31, 2022

An entity collects Goods and Services Tax ('GST') on behalf of the government and not on its own account. Hence it is excluded from revenue, i.e. revenue is net of GST.

2.3.2 Sale of Goods

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at the point of time when control of the goods is transferred to customer depending on terms of sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, if any.

2.3.2.1 Variable consideration

Variable consideration includes various forms of discounts like volume discounts, price concessions, incentives, etc. on the goods sold to its dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts.

2.3.2.2 Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.3.3 Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 2.15 – Financial Instruments in accounting policies.

2.3.4 Royalty income

The Company also earns sales based royalty income which is recognised as revenue over the period of time. This is because in such arrangements, the customer gets a right to access the Company's intellectual property throughout the license period. The revenue to be recognised is determined based on a specified percentage of the sales made by the customer.

2.3.5 Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the Effective Interest Rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

2.3.6 Dividends

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

2.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.5 Government grants, subsidies and export incentives

Government grants / subsidies are recognised when there is reasonable assurance that the Company will comply with all the conditions attached to them and that the grant / subsidy will be received. The Company has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective State Industrial Promotion Subsidy.

The Company has chosen to adjust grant under the Export Promotion Capital Goods ('EPCG') scheme from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20.

Export Incentive under Merchandise Export from India Scheme ('MEIS') is recognised in the Statement of Profit and Loss as a part of other operating revenues.

2.6 Taxes

2.6.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used

Notes to Financial Statements

for the year ended March 31, 2022

to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current tax relating to items recognised outside the Statement of Profit and Loss is either in Other Comprehensive Income ('OCI') or in equity. Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in Other Income.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile.

2.6.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised either in OCI or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.6.3 GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised

Notes to Financial Statements

for the year ended March 31, 2022

as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non current assets".

Depreciation is provided on a pro-rata basis on the straight line method based on useful life estimated by the management and supported by independent assessment by professionals. Depreciation commences when the asset is ready for its intended use. The Company has used the following useful lives to provide depreciation on its fixed assets.

Asset Class	Useful life
Freehold land	Non depreciable
Leasehold land	Lease term – 95 years
Buildings (including temporary structures)	1 year - 60 years

Asset Class	Useful life
Plant & Equipment	1 year - 20 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either infinite or finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level (the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit). The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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Intangible assets are amortised on a pro-rata basis on the straight line method based on useful life estimated by the management as under:

Asset Class	Useful life
Software	3 – 6 years
Brand (refer 2.8.1)	20 years
Technical know-how (refer 2.8.1)	20 years
Product development (refer 2.8.2)	20 years

2.8.1 Technical know-how and Brand

Technical know-how : The Company has originally generated technical know-how and assistance from International Tire Engineering Resources LLC, for setting up of Halol radial plant. Considering the life of the underlying plant / facility, this technical know-how, is amortised on a straight line basis over a period of twenty years.

Brand : The Company has acquired global rights of "CEAT" brand from the Italian tyre maker, Pirelli. Prior to the said acquisition, the Company was the owner of the brand in only a few Asian countries including India. With the acquisition of the brand which is renowned worldwide, new and hitherto unexplored markets will be accessible to the Company. The Company will be in a position to fully exploit the export market resulting in increased volume and better price realisation. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.8.2 Research and development costs (Product development)

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

During the period of development, the asset is tested for impairment annually.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are

reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ("qualifying asset") are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

2.10 Leases

The Company has entered into various arrangements like lease of vehicles, premises and outsourcing arrangements which has been disclosed accordingly under Ind AS 116. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys the right to control the use of an identified asset depends on whether the Company obtains substantially all the economic benefits from the use of the asset and whether the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease

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payments and right-of-use assets representing the right to use the underlying assets.

2.10.1 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over shorter of the lease term or the estimated useful life of the underlying asset as follows:

Asset Class	Useful life
Building	1 – 11 years
Others	2 – 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Company presents right-of-use assets separately in the Balance Sheet.

2.10.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless the cost is included in the carrying value of inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index

or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in current and non-current financial liabilities. Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to the contracts which have a lease term of 12 months or less from the date of commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to the lease contracts that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a weighted average basis:

- Cost of raw materials includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work-in-progress and finished goods includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing cost.
- Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's ('CGU') fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate

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cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the CGU and then to the other assets of the unit, pro-rata based on the carrying amount of each asset in the unit.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13.1 Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to three years. Initial recognition is based on historical experience. The initial estimate of sales related obligations (related costs) is revised annually.

2.13.2 Decommissioning liability

The Company records a provision for decommissioning costs of land taken on lease at one of the manufacturing facility for the production of tyres. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.13.3 Litigations

The Company is party to various lawsuits that are at administrative or judicial level or in their initial stages, involving tax and civil matters. The Company contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

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2.14 Employee benefits

2.14.1 Defined contribution plan

Retirement benefit in the form of Provident Fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the above mentioned funds. The Company recognises contribution payable to these funds / schemes as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.14.2 Defined benefit plan

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past / future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in OCI and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

2.14.3 Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of

Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- When the Company can no longer withdraw the offer of those benefits; or
- When the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.15.1 Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

2.15.1.1 Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

2.15.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

2.15.1.2.1 Debt instruments at amortised cost

2.15.1.2.2 Debt instruments at Fair Value Through Other Comprehensive Income ('FVTOCI')

2.15.1.2.3 Debt instruments, derivatives and equity instruments at Fair Value Through Profit and Loss ('FVTPL')

2.15.1.2.4 Equity instruments measured at FVTOCI

2.15.1.2.1 Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

2.15.1.2.2 Debt instrument at FVTOCI

A debt instrument is classified as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.15.1.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

2.15.1.2.4 Equity instruments

All investments in equity instruments within the scope of Ind AS 109 are initially measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Company

makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on derecognition of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

2.15.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.15.1.4 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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- (i) Trade receivables
- (ii) Financial assets measured at amortised cost (other than trade receivables)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets [i.e. (ii) and (iii) above] and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted

for forward-looking estimates. At every reporting date, the historical observed default rates and changes in the forward-looking estimates are updated. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase / origination.

2.15.2 Financial liabilities

2.15.2.1 Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of borrowings net of directly attributable transaction costs.

2.15.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.15.2.2.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risks are recognised in OCI. These gains / loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at FVTPL.

2.15.2.2.2 Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

2.15.2.2.3 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at

the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

2.15.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.15.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in the Statement of Profit and Loss.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

2.15.4 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

2.15.4.1 Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Statement of Profit and Loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the Statement of Profit and Loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the Statement of Profit and Loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent

cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the Statement of Profit and Loss.

2.15.4.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the Statement of Profit and Loss.

Amounts recognised as OCI are transferred to the Statement of Profit and Loss when the hedged transaction affects profit and loss, i.e. when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.15.5 Fair value measurement

The Company measures derivatives instruments like forward contracts at fair value at each Balance Sheet date.

Notes to Financial Statements

for the year ended March 31, 2022

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15.6 Offsetting of financial instruments

Financial assets and financial liabilities can be offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprises cash at banks and on hand.

2.17 Dividend distribution to equity shareholders

The Company recognises a liability to pay dividend to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

2.18 Foreign currencies

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at ₹ spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

2.19 Earnings Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity

Notes to Financial Statements

for the year ended March 31, 2022

shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.20 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.21 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.22 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances

and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations – note 37
- Measurement and likelihood of occurrence of provisions and contingencies – note 20
- Recognition of current tax and deferred tax assets – note 21
- Key assumptions used in fair valuations – note 42
- Measurement of lease liabilities and right-of-use asset – note 4
- Estimation of uncertainties relating to the global health pandemic from COVID-19 – note 46

2.23 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021 and applied to the standalone financial statements:

- Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Additional disclosure for shareholding of promoters.
- Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- Specific disclosure on compliance with approved schemes of arrangement.
- Additional disclosure relating to Corporate Social Responsibility (CSR) and undisclosed income.

Notes to Financial Statements

for the year ended March 31, 2022

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.7 for accounting policy on Property, plant and equipment

Particulars	Freehold land	Leasehold land (Financial lease)	Buildings	Plant and equipment (Owned)	Furniture and Fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount									
As at April 01, 2020	48,524	10,903	63,024	3,43,770	2,115	762	1,535	98,394	5,69,027
Additions	-	79	9,135	76,177	378	12	324	57,999	1,44,104
Disposals	-	-	-	(216)	(3)	(30)	(6)	(86,105)	(255)
Capitalised	-	-	-	-	-	-	-	-	-
As at March 31, 2021	48,524	10,982	72,159	4,19,731	2,490	744	1,853	70,288	6,26,771
Additions	-	15	9,630	77,742	336	56	507	94,157	1,82,443
Disposals	-	-	(8)	(2,024)	(0)	(20)	(4)	(88,286)	(2,056)
Capitalised	-	-	-	-	-	-	-	-	-
As at March 31, 2022	48,524	10,997	81,781	4,95,449	2,826	780	2,356	76,159	7,18,872
Accumulated Depreciation									
As at April 01, 2020	-	647	6,289	66,135	715	467	630	-	74,883
Depreciation for the year	-	139	1,993	23,325	228	85	286	-	26,056
Disposals	-	-	-	(103)	(2)	(26)	(6)	-	(137)
As at March 31, 2021	-	786	8,282	89,357	941	526	910	-	1,00,802
Depreciation for the year	-	133	2,387	28,505	243	75	302	-	31,645
Disposals	-	-	(6)	(1,411)	(0)	(19)	(4)	-	(1,441)
As at March 31, 2022	-	919	10,663	1,16,451	1,184	582	1,208	-	1,31,007
Net Book Value:									
As at March 31, 2021	48,524	10,196	63,877	3,30,374	1,549	218	943	70,288	5,25,969
As at March 31, 2022	48,524	10,078	71,118	3,78,998	1,642	198	1,148	76,159	5,87,865

Net carrying amount

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	5,11,706	4,55,681
Capital work in progress	76,159	70,288

Notes to Financial Statements

for the year ended March 31, 2022

Note 3: Property, plant and equipment and Capital work-in-progress (Contd..)

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2022

Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
	Projects in progress	51,979	8,743	8,655	6,782	

As at March 31, 2021

Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
	Projects in progress	34,892	26,185	9,039	172	

The capacity expansions undertaken is modular in nature, wherein civil work and major upstream capex are incurred, followed by downstream capex to ramp up production in line with anticipated market demand. Based on long term demand and supply planning, management estimates the annual capex requirement and project timelines which are approved by the Board. There are no projects which are overdue based on such timelines or which have exceeded cost compared to plans.

Notes:

- During the year, the company has transferred the following expenses which are attributable to the construction activity and are included in the cost of capital work-in-progress / property, plant and equipment as the case may be. Consequently, expenses disclosed under the respective notes are net of such amounts.

Particulars	Note	2021-22	2020-21
Finance cost	31	1,790	2,924
Professional and consultancy charges	33	140	290
Miscellaneous expenses	33	235	693
Employee benefit expenses	30	1,234	1,125
Travelling and conveyance	33	104	104
Total		3,503	5,136

- As a part of ongoing expansion project at Halol (Phase III), during the year the Company has capitalised and commissioned assets of ₹ 8,170 Lacs (March 31, 2021: ₹ 15,874 Lacs).
- As a part of ongoing expansion project at Nagpur, during the year the Company has capitalised and commissioned assets of ₹ 5,437 Lacs (March 31, 2021: ₹ 12,705 Lacs).
- As a part of ongoing green field project at Chennai, during the year the Company has capitalised and commissioned assets of ₹ 40,165 Lacs (March 31, 2021: ₹ 39,434 Lacs).
- As a part of ongoing expansion project at Ambarnath (Phase II), during the year the Company has capitalised and commissioned of ₹ 11,625 Lacs (March 31, 2021: ₹ 9,054 Lacs).
- The amount of borrowing cost capitalised during the year ended March 31, 2022 is ₹ 1,790 Lacs (March 31, 2021: ₹ 2,924 Lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 6.50% to 7.25% (March 31, 2021: 6.55% to 8.40%) which is the effective interest rate of specific borrowings.
- Refer notes 18 and 22 for details on pledges and securities.

Notes to Financial Statements

for the year ended March 31, 2022

Note 4: Leases

Refer note 2.10 for accounting policy on Leases

Note 4(a): Right-of-use assets

Particulars	As at March 31, 2022			As at March 31, 2021		
	Building	Others *	Total	Building	Others *	Total
	Opening net carrying balance	788	9,995	10,783	916	9,269
Additions during the year	10,091	-	10,091	434	4,986	5,420
Depreciation	(4,354)	(4,141)	(8,495)	(562)	(4,260)	(4,822)
Total	6,525	5,854	12,379	788	9,995	10,783

* Right-of-use assets are arising out of outsourcing arrangements which consists of buildings and plant & machinery. These are used for the production and distribution of goods and generation of power under such arrangements.

Note 4(b): Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net carrying balance	11,497	10,601
Additions	10,091	5,420
Accretion of interest (refer note 31)	1,331	1,102
Payments	(9,710)	(5,626)
Total	13,209	11,497

Notes:

- The rate used for discounting is in range of 7-9%.
- Refer note 42 for information about fair value measurement and note 44(c) for information about liquidity risk relating to lease liabilities.
- Significant Judgements in determining the lease term of contracts with renewal and termination options:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The Company included the renewal period as part of the lease term for leases of buildings and other with shorter non-cancellable period. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on the operations if a replacement asset is not readily available. The renewal periods for leases of building and others with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current lease liabilities	8,047	6,690
Current lease liabilities	5,162	4,807

Notes to Financial Statements

for the year ended March 31, 2022

Note 5: Intangible assets

Refer note 2.8 for accounting policy on Intangible assets

(₹ in Lacs)

Particulars	Software	Brand	Technical Know-how	Product development	Total
Gross carrying amount					
As at April 01, 2020	7,826	4,404	704	4,194	17,128
Additions	2,010	-	-	907	2,917
As at March 31, 2021	9,836	4,404	704	5,101	20,045
Additions	2,130	-	-	199	2,329
As at March 31, 2022	11,966	4,404	704	5,300	22,374
Accumulated amortization					
As at April 01, 2020	3,703	1,348	210	1,850	7,111
Amortisation for the year	2,295	289	45	451	3,080
As at March 31, 2021	5,998	1,637	255	2,301	10,191
Amortisation for the year	2,523	289	45	517	3,374
As at March 31, 2022	8,521	1,926	300	2,818	13,565
Net Book Value:					
As at March 31, 2021	3,838	2,767	449	2,800	9,854
As at March 31, 2022	3,445	2,478	404	2,482	8,809

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets	8,809	9,854
Intangible assets under development	4,661	2,500

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2022

(₹ in Lacs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,161	1,509	991	-	4,661

As at March 31, 2021

(₹ in Lacs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,041	956	178	325	2,500

Notes to Financial Statements

for the year ended March 31, 2022

Note 6: Investments

Note 6(a): Investments in subsidiaries and associates

Refer note 2.4 for accounting policy on Investments in subsidiaries and associates

(₹ in Lacs)

Particulars	Face Value	2021-22	2020-21
Non-current			
Unquoted equity shares (at cost) (Non Trade)			
Investment in Subsidiaries			
1,00,00,000 (March 31, 2021: 1,00,00,000) equity shares of Associated CEAT Holdings Company (Pvt) Limited.	10 LKR	4,358	4,358
10,49,99,994 (March 31, 2021: 10,49,99,994) equity shares of CEAT AKKHAN Limited	10 Taka	3,717	3,717
94,16,350 (March 31, 2021: 94,16,350) equity shares of Rado Tyres Limited	₹ 4	9	9
400 (March 31, 2021 : 400) equity shares of CEAT Specialty Tires INC.	1 \$	26	26
5,000 (March 31, 2021 : 5,000) equity shares of CEAT Specialty Tyres BV	1 Euro	40	40
Investment in Associates (at cost)			
100 (March 31, 2021: 100) equity shares of TYRESNMORE Online Pvt Limited	₹ 1	1	1
6,12,501 (March 31, 2021: 6,12,501) equity shares of Greenzest Solar Private Limited	₹ 10	490	490
Unquoted preference shares (Non Trade)			
Investment in Subsidiaries (at amortised cost)			
15,10,000 (March 31, 2021: 15,10,000) 12.5% cumulative redeemable preference shares of Rado Tyres Limited	₹ 100	1,510	1,510
Investment in Associates (at cost classified as equity)			
1,07,797 (March 31, 2021: 87,380) 0.001% compulsory convertible preference shares of Tyresnmore Online Private Limited	₹ 1	1,638	1,258
Total 6(a)		11,789	11,409

Note 6(b): Investments

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	Face Value	2021-22	2020-21
Investment in Others (at fair value through profit and loss)			
16,95,000 (March 31, 2021: 9,75,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	3	2
7,129 (March 31, 2021: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	412	399
10 (March 31, 2021: 10) equity shares of E-Fleet Systems Private Limited	₹ 10	1	1
Investment in Others (at fair value through other comprehensive income)			
Cleanwin Energy Five LLP		60	-
33,70,208 (March 31, 2021: Nil) equity shares of TP Akkalkot Renewable limited	₹ 10	337	-
Total 6(b)		813	402
Total [6(a) + 6(b)]		12,602	11,811

Notes to Financial Statements

for the year ended March 31, 2022

Note 6: Investments (Contd..)

Information about subsidiaries

Name and principle business	Country of Incorporation	Proportion (%) of equity interest	
		(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
CEAT Specialty Tires INC. - Marketing Support Services	USA	100.00	100.00
CEAT Specialty Tyres BV - Marketing Support Services	Netharland	100.00	100.00
Associated Ceat Holdings Company (Pvt.) Ltd - Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00	100.00
CEAT AKKHAN Limited - Trading of tyres, tubes and flaps	Bangladesh	70.00	70.00
Rado Tyres Limited - Manufacturing of tyres	India	58.56	58.56

Information about associate

Name and principle business	Country of Incorporation	Proportion (%) of equity interest	
		(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
TYRESNMORE Online Pvt Ltd - Trading of tyres, tubes and flaps	India	49.83*	44.61*
Greenzest Solar Private Limited - Power Generation	India	28.00	28.00

*Includes compulsory convertible preference shares (potential voting right)

Note 7: Other financial assets

Refer note 2.15 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
At amortised cost		
Security deposits	760	657
Security deposits (related parties) (refer note 39)	100	100
Margin money deposits (refer foot note a)	99	134
Unsecured, considered doubtful		
Security deposits	98	89
Receivables from subsidiaries (refer note 39)	209	209
Less : Allowance for doubtful deposits	(98)	(89)
Less: Allowance for doubtful receivables	(209)	(209)
Total	959	891

Notes:

- The margin deposits are for bank guarantees given to statutory authorities.
- Refer note 42 of information about fair value measurement.

Notes to Financial Statements

for the year ended March 31, 2022

Note 8: Other non-current assets

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances (Others)	3,523	2,582
Capital advances (Related parties) (refer note 39)	-	129
Security deposits with statutory authorities	2,065	1,925
Unsecured, considered doubtful		
Balances with government authorities and agencies	192	192
Less: Allowance for doubtful balances	(192)	(192)
Total	5,588	4,636

Note 9: Inventories

Refer note 2.11 for accounting policy on Inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
a) Raw materials	55,791	52,040
Goods in transit	2,364	6,659
	58,155	58,699
Less: Provision for unusable raw materials [refer note 34(c)]	-	(200)
	58,155	58,499
b) Work-in-progress	7,885	6,708
Less: Provision for unusable work-in-progress materials [refer note 34(c)]	-	(28)
	7,885	6,680
c) Finished goods	60,362	43,238
d) Stock in trade	172	194
Goods in transit	-	45
	172	239
e) Stores and spares	2,042	2,594
Goods in transit	35	-
	2,077	2,594
Total	1,28,651	1,11,250
Details of finished goods		
Automotive tyres	52,936	36,555
Tubes and others	7,426	6,683
Total	60,362	43,238

Notes:

- During the financial year 2021-22, ₹ 2,506 Lacs (March 31, 2021: ₹ 1,611 Lacs) was charged to the statement of profit and loss on account of slow moving stock as per the Company's policy.
- Refer note 22 for detail on pledges and securities.

Notes to Financial Statements

for the year ended March 31, 2022

Note 10: Trade receivables

Refer note 2.15 for accounting policy on Financial instruments

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables from others	1,11,972	90,265
Trade receivables from related parties (refer note 39)	3,315	1,961
Total receivables	1,15,287	92,226

Particulars	As at	
	March 31, 2022	March 31, 2021
Break-up for security details		
Secured, considered good (refer foot note a)	35,512	34,721
Unsecured, considered good	79,731	57,498
Trade Receivables which have significant increase in credit risk	88	14
Trade Receivables - credit impaired	1,311	1,591
	1,16,642	93,824
Less: Allowance for doubtful debts	(1,355)	(1,598)
Total	1,15,287	92,226

Particulars	As at	
	March 31, 2022	March 31, 2021
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,598	2,224
Change in allowance for doubtful debts	(224)	(5)
Trade receivables written off during the year	(19)	(621)
Balance as at end of the year	1,355	1,598

- These debts are secured to the extent of security deposit obtained from the dealers.
- No trade receivables are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclosed in note 39.
- For terms and conditions relating to related party receivables, refer note 39.
- Trade receivables are non-interest bearing within the credit period which is generally 27 to 60 days.
- Refer note 44(b) for information about credit risk of Trade receivables.
- Refer note 22 for details on pledges and securities.

Trade receivables ageing as on March 31, 2022	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,08,576	6,667	-	-	-	-	1,15,243
Undisputed Trade Receivables – which have significant increase in credit risk*	-	-	88	-	-	-	88
Undisputed Trade receivable – credit impaired #	-	-	-	65	14	337	416
Disputed Trade receivables – credit impaired #	-	0	0	69	62	764	895
Total	1,08,576	6,667	88	134	76	1,101	1,16,642

Notes to Financial Statements

for the year ended March 31, 2022

Note 10: Trade receivables (Contd..)

Trade receivable ageing as on March 31, 2021	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	89,352	2,833	33	-	-	-	92,218
Undisputed Trade Receivables – which have significant increase in credit risk*	-	-	14	-	-	-	14
Undisputed Trade receivable – credit impaired #	-	-	-	57	30	541	628
Disputed Trade receivables – credit impaired #	0	-	32	209	111	611	964
Total	89,352	2,883	79	266	141	1,152	93,824

* Provision is created at 50% for significant credit risk balances.

Provision is created for the entire credit impaired balances.

Note 11: Cash and cash equivalents

Refer note 2.16 for accounting policy on cash and cash equivalents

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with Banks		
On current accounts	451	1,051
On remittance in transit	847	800
On Deposit accounts	-	100
Cash on hand	2	5
Cash and cash equivalent as per statement of cash flow	1,300	1,956

Changes in liabilities arising from financing activities

Particulars	As at	
	Current borrowings	Non-current borrowings
March 31, 2020	21,559	1,69,259
Cash flows	(21,506)	(29,604)
March 31, 2021	53	1,39,655
Cash flows	21,361	46,071
March 31, 2022	21,414	1,85,726

Note 12: Bank balances other than cash and cash equivalents

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances held for unclaimed public fixed deposit and interest thereon (refer foot note a)	36	85
Balances unclaimed dividend accounts (refer foot note b)	331	510
Total	367	595

Notes

- These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes ₹ 0.20 Lacs (March 31, 2021 ₹ 0.20 Lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Company to hold.
- These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.03 Lacs (March 31, 2021 ₹ 1.60 Lacs) outstanding for a period exceeding seven years retained in accordance with the provisions of Section Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Notes to Financial Statements

for the year ended March 31, 2022

Note 13: Other financial assets

Refer note 2.15 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
At amortised cost		
Advance receivable in cash	357	257
Other receivables	5,478	3,392
Interest receivable	1	1
Receivable from related parties (refer note 39)	545	290
Unamortised premium on forward contract	-	184
Unsecured, considered doubtful:		
Loans advances and deposits	-	104
Less: Allowance for doubtful advances and deposits	-	(104)
Total	6,381	4,124

Note 14: Other current assets

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered, good		
Advance receivable in kind or for value to be received	581	3,013
Balance with government authorities	2,211	3,860
Advance to employees	30	51
Prepaid Expense	2,564	1,333
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	99	134
Less: Allowance for advance receivable in kind or for value to be received	(99)	(134)
Total	5,386	8,257

Note 15: Equity share capital

Authorised share capital	Equity shares		Preference Shares		Unclassified Shares	
	Numbers	₹ in Lacs	Numbers	₹ in Lacs	Numbers	₹ in Lacs
At April 01, 2020	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2021	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000

Notes to Financial Statements

for the year ended March 31, 2022

Note 15: Equity share capital (Contd..)

Issued share capital

Equity shares of ₹ 10 each issued

	Numbers	(₹ in Lacs)
At April 01, 2020 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2021 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2022 (refer foot note a)	4,04,50,780	4,045

Subscribed and Paid-up share capital

Equity shares of ₹10 each subscribed and fully paid

	Numbers	(₹ in Lacs)
At April 01, 2020 (refer foot note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2021 (refer foot note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2022 (refer foot note a)	4,04,50,092	4,045

a) Includes 688 (March 31, 2021 - 688) equity shares offered on right basis and kept in abeyance.

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. Dividend is recommended by the Board of Directors and is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. The Board of Directors have a right to deduct from the dividend payable to any member, any sum due from him to the Company.

In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The shareholders have all other rights as available to equity shareholders as per the provision of the Companies Act, applicable in India read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

c) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,15,259	29.46%	1,18,53,559	29.30%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Amansa Holdings Pvt Limited	37,07,695	9.17%	37,59,934	9.30%
Mirae Asset Emerging Bluechip Fund	26,06,341	6.44%	25,96,588	6.42%

Notes to Financial Statements

for the year ended March 31, 2022

Note 15: Equity share capital (Contd..)

- d) As per the records of the Company as at March 31, 2022 no calls remain unpaid by the directors and officers of the company.
- e) The Company has not issued any equity shares as bonus for consideration other than cash and has not bought back any shares during the period of 5 years immediately preceeding March 31, 2022.
- f) Details of shares held by promoter

(₹ in Lacs)						
S. No.	Promoter Name	No. of shares as at April 1, 2021	Change during the year	No. of shares as at March 31, 2022	% of Total Shares	% change during the year
Promoter						
1	Anant Vardhan Goenka	14,185	-	14,185	0.04%	-
2	Harsh Vardhan Goenka	1,33,934	-	1,33,934	0.33%	-
Subtotal (a)		1,48,119	0	1,48,119	0.37%	-
Promoter Group						
3	Radha Anant Goenka	10	-	10	0.00%	0.00%
4	Mala Goenka	10	-	10	0.00%	0.00%
5	Instant Holdings Limited	1,18,53,559	61,700	1,19,15,259	29.46%	0.52%
6	Swallow Associates LLP	44,84,624	-	44,84,624	11.09%	0.00%
7	Stel Holdings Limited	14,16,757	54,000	14,70,757	3.64%	3.81%
8	Summit Securities Ltd	10,36,248	-	10,36,248	2.56%	0.00%
9	Chattarpati Apartments LLP	876	-	876	0.00%	0.00%
10	Ektara Enterprises LLP	10	-	10	0.00%	0.00%
11	Vayu Udaan Aircraft LLP	10	-	10	0.00%	0.00%
12	Sofreal Mercantrade Pvt Ltd	10	-	10	0.00%	0.00%
13	Malabar Coastal Holdings LLP	10	-	10	0.00%	0.00%
14	Atlantus Dwellings And Infrastructure LLP	10	-	10	0.00%	0.00%
15	Sudarshan Electronics And Tv Ltd	1	-	1	0.00%	0.00%
16	Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
17	Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
18	Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
19	Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
20	AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
21	RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%

Notes to Financial Statements

for the year ended March 31, 2022

Note 15: Equity share capital (Contd..)

(₹ in Lacs)						
S. No.	Promoter Name	No. of shares as at April 1, 2021	Change during the year	No. of shares as at March 31, 2022	% of Total Shares	% change during the year
22	Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
23	Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
Subtotal (b)		1,87,92,179	1,15,700	1,89,07,879	46.74%	0.62%
Total (a + b)		1,89,40,298	1,15,700	1,90,55,998	47.11%	0.61%

Note 16: Other equity

(₹ in Lacs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium (refer foot note a)	56,703	56,703
Capital reserve (refer foot note b)	1,177	1,177
Capital redemption reserve (refer foot note c)	390	390
Cash flow hedge reserve (refer foot note d)	(755)	(713)
General reserve (refer foot note e)	25,178	25,178
Retained earnings (refer foot note f)	2,28,289	2,29,694
Total other equity	3,10,982	3,12,429

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

b) Capital reserve

Capital reserve includes profit on amalgamation of entities.

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during FY 1998-99.

d) Cash flow hedge reserve

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

e) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

f) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to reserves, dividends or other distributions paid to shareholders.

Notes to Financial Statements

for the year ended March 31, 2022

Note 17: Distribution made and proposed

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on March 31, 2021: 18 per share (March 31, 2021: Nil per share for the year ended on March 31, 2020)	7,281	-
Total	7,281	-

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Proposed dividends on equity shares		
Proposed dividend for the year ended on March 31, 2022: ₹ 3 per share (March 31, 2021: 18 per share)	1,214	7,281
Total	1,214	7,281

Proposed dividends on equity shares which are subject to approval at the Annual General Meeting are not recognised as a liability in the year in which it is proposed.

The Company declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax. Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

Note 18: Borrowings

(At amortised cost)

Refer note 2.15 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)			
	Non-current		Current maturities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	25,000	25,000	-	-
ii) Term loans				
Indian rupee loan from banks*				
Citi Bank N.A. (refer foot note 2)	10,750	17,200	6,450	4,300
Kotak Mahindra Bank (refer foot note 3)	26,233	29,228	2,998	749
Bank of Baroda (refer foot note 4)	57,086	32,636	3,005	-
State Bank of India (refer foot note 5)	33,736	28,427	855	-
II. Unsecured:				
i) Term Loans				
Axis Bank (refer foot note 6)	3,000	-	-	-
HSBC Bank (refer foot note 7)	15,000	-	-	-
ii) Public deposits (refer foot note 8)	0	0	-	-
iii) Deferred sales tax incentive (refer foot note 9)	1,111	1,613	502	502
	1,71,916	1,34,104	13,810	5,551
Less: amount classified under current borrowings (refer note 22)	-	-	(13,810)	(5,551)
Total	1,71,916	1,34,104	-	-

* Indian rupee loan from banks carries floating interest rate ranging from 4.75% p.a. to 7.25% p.a.

Notes to Financial Statements

for the year ended March 31, 2022

Note 18: Borrowings (Contd.)

Notes to Borrowings:

1 Non-Convertible Debentures ("NCDs") ₹ 25,000 Lacs as on March 31, 2022 (March 31, 2021: ₹ 25,000 Lacs) allotted on October 07, 2020 (NCD Series 1) and October 13, 2020 (NCD Series 2) on private placement basis are secured by way of first charge over movable and immovable fixed assets located at Ambarnath plant. As at March 31, 2022, the NCDs carry an interest at 6.40% p.a. (NCD Series 1) and 7.00% p.a. (NCD Series 2) and is repayable as under:

- NCD Series 1: ₹ 15,000 Lacs (60% of the issue amount) repayable on October 06, 2023.
- NCD Series 2: ₹ 10,000 Lacs (40% of the issue amount) repayable on October 13, 2025.

2 Term loan from Citibank N.A. ₹ 17,200 Lacs as on March 31, 2022 (March 31, 2021: ₹ 21,500 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	20.00%	To be repaid in 3 annual installments at the end of 3 rd , 4 th & 5 th year
2022 - 23	30.00%	
2023 - 24	50.00%	

3 Term loan from Kotak Mahindra Bank Limited ₹ 29,250 Lacs as on March 31, 2022 (March 31, 2021: ₹ 30,000 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	2.50%	To be repaid in 28 structured quarterly instalments commencing (March 2022)
2022 - 23	10.00%	
2023 - 24	11.50%	
2024 - 25	16.00%	
2025 - 26	16.00%	
2026 - 27	16.00%	
2027 - 28	16.00%	
2028 - 29	12.00%	

4 Term Loan from Bank of Baroda ₹ 60,212 Lacs as on March 31, 2022 (March 31, 2021: ₹ 32,775 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	5.00%	To be repaid in 28 structured quarterly instalments commencing (June 2022)
2023 - 24	5.00%	
2024 - 25	15.00%	
2025 - 26	15.00%	
2026 - 27	20.00%	
2027 - 28	20.00%	
2028 - 29	20.00%	

Notes to Financial Statements

for the year ended March 31, 2022

Note 18: Borrowings (Contd..)

- 5 Term Loan from State Bank of India ₹ 34,882 Lacs as on March 31, 2022 (March 31, 2021: ₹ 28,746 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	2.50%	To be repaid in 28 structured quarterly instalments commencing (Dec 2022)
2023 - 24	5.00%	
2024 - 25	10.00%	
2025 - 26	15.00%	
2026 - 27	17.50%	
2027 - 28	20.00%	
2028 - 29	20.00%	
2029 - 30	10.00%	

- 6 Term Loan from Axis Bank Ltd ₹ 3,000 Lacs as on March 31, 2022 (March 31, 2021: Nil) is an un-secured loan. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be repaid in 2 equal instalments at the end of 30 th and 36 th month commencing from July 2024

- 7 Term Loan from HSBC Bank Ltd ₹ 15,000 Lacs as on March 31, 2022 (March 31, 2021: Nil) is an un-secured loan. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be re-paid in one bullet installment in September 2025

- 8 Public deposits ₹ 0.20 Lacs (March 31, 2021 ₹ 0.20 Lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Company to hold.
- 9 Interest-free deferred sales tax is repayable in ten equal annual instalment commencing from April 26, 2011 and ending on April 30, 2025.
- 10 Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.
- 11 Refer note 42 of information about fair value measurement and note 44(c) for information about liquidity risk relating to borrowings.

Notes to Financial Statements

for the year ended March 31, 2022

Note 19 : Other financial liabilities

Refer note 2.15 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non current		
At fair value through other comprehensive income		
Derivative financial instrument	80	47
At amortised cost		
Payable to capital vendors (refer foot note b)	3,990	1,084
Deposits	93	136
Total	4,163	1,267

Notes:

- a) Refer note 42 of information about fair value measurement and note 44(c) for information about liquidity risk relating to other financial liabilities.
- b) These pertain to payable to capital vendors based on deferred payment terms.

Note 20: Provisions

Refer note 2.13 for accounting policy on Provisions

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current provisions		
Provision for sales related obligation (Refer foot note a)	676	769
Provision for compensated absences (Refer foot note b)	3,344	3,640
Provision for decommissioning liability (Refer foot note c)	94	85
	4,114	4,494
Current provisions		
Provision for sales related obligation (Refer foot note a)	8,349	6,385
Provision for gratuity (refer note 37b)	1,097	700
Provision for compensated absences (Refer foot note b)	636	631
Provision for indirect tax and labour matters (Refer foot note d)	2,397	3,042
	12,479	10,758

a) Provision for sales related obligation

A provision is recognized for expected sales related obligation on product sold during the last three years, based on past experience of the level of returns and cost of claim. It is expected that significant portion of these costs will be incurred in the next financial year and within three years from the reporting date. Assumptions used to calculate the provision for sales related obligation were based on current sales levels and current information available about returns based on the three years period for all products sold. The rate used for discounting provision for sales related obligation is 11.50%. The table below gives information about movement in provision for sales related obligation.

Movement in provision for sales related obligation		(₹ in Lacs)
As at April 01, 2020		5,496
Additions during the year		8,018
Utilised during the year		(6,360)
As at March 31, 2021		7,154
Additions during the year		11,257
Utilised during the year		(9,386)
As at March 31, 2022		9,025

Notes to Financial Statements

for the year ended March 31, 2022

Note 20: Provisions (Contd..)

b) Compensated absences

Employee leaves are encashed as per the Company's leave encashment policy. A provision has been recognised for leave encashment liability based on the actuarial valuation of leave balance of employees as at year end.

Movement in provision for compensated absences	(₹ in Lacs)
As at April 01, 2020	3,593
Additions during the year	1,254
Utilised during the year	(576)
As at March 31, 2021	4,271
Additions during the year	254
Utilised during the year	(545)
As at March 31, 2022	3,980

c) Provision for decommissioning liability

The Company has recognised a provision for decommissioning obligations associated with a land taken on lease at Nashik manufacturing facility for the production of tyres. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The Company estimates that the costs would be realised in year 2066 at the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions:

- Estimated range of cost per square meter: ₹ 45 – ₹ 50
- Discount rate: 11.50%

Movement in provision for decommissioning liability	(₹ in Lacs)
As at April 01, 2020	76
Additions during the year	9
As at March 31, 2021	85
Additions during the year	9
As at March 31, 2022	94

d) Indirect tax and labour matters

The Company is party to various lawsuits that are at administrative or judicial level or in their initial stages, involving tax and civil matters. The Company contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

Movement in provision for indirect tax and labour matters	(₹ in Lacs)
As at April 01, 2020	4,507
Additions during the year	179
Utilised during the year	(1,644)
As at March 31, 2021	3,042
Additions during the year	16
Utilised during the year	(661)
As at March 31, 2022	2,397

Notes to Financial Statements

for the year ended March 31, 2022

Note 21: Income taxes and deferred taxes

Refer note 2.6 for accounting policy on Taxes

Balance Sheet

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current tax assets (net)		
Advance payment of tax (net of provision)	5,855	5,650
Current tax liabilities (net)		
Provision for income tax (net of advance tax)	1,372	4,456
Deferred tax liability (net)	30,795	26,560

Statement of Profit and Loss

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Current tax	(1,810)	3,660
Deferred tax	4,101	866
Income tax expense recognised in the Statement of Profit and Loss (refer foot note b)	2,291	4,526

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Income tax effect on actuarial losses for gratuity	(149)	(98)
Income tax effect on movement in cash flow hedges	14	516
Income tax (expense) / income charged to OCI	(135)	418

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Accounting profit before tax	7,724	45,890
Income tax rate of 25.17% (31 March, 2021: 25.17%)	1,944	11,550
Rate reduction, reversal of temporary differences, provision for tax of earlier years and merger impact (refer foot note b)	(15)	(7,008)
Income tax at special rates	-	(140)
Others	25	(187)
Non-deductible expenses for tax purposes		
Depreciation on revaluation	101	101
Corporate Social Responsibility (CSR) expenses	202	198
Other non-deductible expenses	35	12
At the effective income tax rate of 29.67% (March 31, 2021: 9.86%)	2,292	4,526

Notes to Financial Statements

for the year ended March 31, 2022

Note 21: Income taxes and deferred taxes

Deferred tax

Deferred tax relates to the following

(₹ in Lacs)

Particulars	Balance Sheet		Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	2021-22	2020-21
Accelerated depreciation for tax purposes	(38,143)	(33,595)	4,548	(13,543)
DTA on brought forward losses (refer note b)	-	-	-	3,096
MAT Credit Entitlement	-	-	-	8,037
Voluntary Retirement Scheme (VRS)	860	1,082	222	557
Allowance for doubtful debts/advances	452	587	135	960
Carry forward Business loss	2,338	-	(2,338)	-
Others	3,698	5,366	1,534	1,759
Deferred tax expense/(income)			4,101	866
Net deferred tax assets/(liabilities)	(30,795)	(26,560)		

Net deferred tax assets/(liabilities)

Reflected in the balance sheet as follows

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax asset	7,349	7,035
Deferred tax liability	(38,143)	(33,595)
Deferred tax liability (net)	(30,795)	(26,560)

Reconciliation of deferred tax liabilities (net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance as at April 01	(26,560)	(26,111)
Tax expense during the period recognised in statement of profit and loss	(4,101)	(866)
Tax (expense)/income during the period recognised in other comprehensive income	(135)	418
Others	1	(1)
Closing balance as at March 31	(30,795)	(26,560)

Notes:

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and liabilities as well as the deferred tax assets and liabilities related to income taxes levied by the same taxation authority.
- The current and deferred tax for the year ended March 31, 2021 includes the impact on tax expenses consequent to the amalgamation. Refer note 50.

Note 22: Borrowings

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	1,314	53
Export packing credit from banks (refer foot note a)	4,500	-
Working capital demand loan (refer foot note a)	5,600	-

Notes to Financial Statements

for the year ended March 31, 2022

Note 22: Borrowings (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowings		
Current maturities of long-term borrowings (refer note 18)	13,810	5,551
Unsecured:		
Commercial paper (refer foot note b)	10,000	-
Total	35,224	5,604

Notes:

- Cash credit facilities, export packing credit facilities and working capital demand loan from banks is part of working capital facilities availed from consortium of banks secured by way of first pari passu charge on the current assets of the Company carrying interest in the range of 4.50% p.a. to 9.70% p.a.
- The Company had issued commercial papers (total available limit ₹ 50,000 Lacs) at regular intervals for working capital purposes with interest ranging from 3.48% p.a. to 3.98% p.a.
- Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- Refer note 44(c) for information about liquidity risk relating to borrowings.

Note 23: Trade payables

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to micro and small enterprises (refer foot note a)		
Overdue	37	641
Not due	8,007	8,449
Other trade payables	2,06,925	1,73,553
Trade payables to related parties (refer note 39)*	531	944
Total	2,15,500	1,83,587

* For terms and conditions with related parties, refer note 39

Notes:

- Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) are given as follows* :

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	8,043	9,084
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	1	6
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	6	2
iv) The amount of interest due and payable for the year	1	6
v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

*The information disclosed above is to the extent available with the Company.

Notes to Financial Statements

for the year ended March 31, 2022

Note 23: Trade payables (Contd..)

b) Trade payables are non interest bearing and normally settled between 30 to 180 days.

c) Refer note 44(c) for information about liquidity risk relating to trade payables.

(₹ in Lacs)

Trade payable ageing as on March 31, 2022	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	7,845	187	12	-	-	-	8,044
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,55,965	50,989	210	-	-	264	2,07,428
Disputed dues of creditors other than micro enterprises and small enterprises	-	13	-	2	-	13	28
Total	1,63,810	51,189	222	2	2	277	2,15,500

(₹ in Lacs)

Trade payable ageing as on March 31, 2021	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	7,637	1,381	47	7	8	10	9,090
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,13,827	60,443	-	-	151	62	1,74,483
Disputed dues of creditors other than micro enterprises and small enterprises	-	2	0	-	8	4	14
Total	1,21,464	61,826	47	7	167	76	1,83,587

Note 24: Other financial liabilities

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
At fair value through other comprehensive income		
Derivative financial instrument	1,562	1,494
At amortised cost		
Employee related liabilities	8,867	10,773
Interest accrued but not due	1,347	1,307
Unpaid dividends (refer foot note a)	331	510
Unpaid matured deposits and interest accrued thereon (refer foot note a)	33	80
Deposits from dealers and others	42,641	42,003
Payable to capital vendors (others)	25,699	24,624
Payable to capital vendors (related parties) (refer note 39)	356	-
Others	1	-
Total	80,837	80,791

Notes:

a) Refer foot note a) and b) below note 12: Bank balances other than cash and cash equivalents.

b) Refer note 42 for information about fair value measurement and note 44(c) for information about liquidity risk relating to other financial liabilities.

Notes to Financial Statements

for the year ended March 31, 2022

Note 25: Other current liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	10,019	9,324
Advance received from customers *	1,435	1,586
Total	11,454	10,910

* Represents contract liabilities

Note 26: Revenue from operations

Refer note 2.3 for accounting policy on Revenue recognition and 2.5 for government grant and export incentives

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Lacs)

Particulars	2021-22	2020-21
Revenue recognised at the point of time		
Automotive Tyres	8,39,607	6,76,673
Tubes and others	68,497	72,357
Sale of scrap	5,328	4,237
Other revenues	518	400
Revenue recognised over the period of time		
Royalty income (Refer note 39)	681	502
Total revenue from contracts with customers	9,14,631	7,54,169
Other operating income		
Government grants (refer foot note d)	16,632	3,110
Revenue from operations	9,31,263	7,57,279

Notes:

a) Revenue disaggregation basis geography has been included in segment information (refer note 40)

b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables (refer note 10)	1,15,287	92,226
Contract liabilities (refer note 25)	1,435	1,586

The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company perform under the contract.

c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lacs)

Particulars	2021-22	2020-21
Revenue as per contracted price	9,36,495	7,74,905
Reductions towards variable consideration components *	(21,864)	(20,736)
Revenue from contracts with customers	9,14,631	7,54,169

* The reduction towards variable consideration comprises of discounts, indexations etc.

Notes to Financial Statements

for the year ended March 31, 2022

Note 26: Revenue from operations (Contd..)

d) Government Grant:

- i) In accordance with the accounting policy for Government grants, the Company has recognised an amount of ₹ 14,907 Lacs towards state incentives March 31, 2021: ₹ 3,051 Lacs) which is included in other operating income.
- ii) The Company has recognised a government grant as income on account of Export Incentive under Merchandise Exports from India Scheme (MEIS) from Directorate General of Foreign Trade, Government of India.

Note 27: Other Income

Refer note 2.3 for accounting policy on Revenue recognition

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Interest income on		
Bank deposits	2	184
Other interest income	254	283
Dividend income from subsidiaries (refer note 39)	1,729	1,826
Other non-operating income	753	887
Foreign exchange fluctuation (net)	81	-
Total	2,819	3,180

Note 28: Cost of material consumed

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Raw Material		
Opening stock	58,699	32,270
Add: Purchases	6,18,146	4,43,805
	6,76,845	4,76,075
Less: Closing stock *	(58,155)	(58,699)
Total	6,18,690	4,17,376

* The closing stock is gross off provision towards unusable raw materials aggregating Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 200 Lacs). Refer note 34 for further details.

Details of raw materials consumed

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Rubber	3,08,822	2,10,520
Fabrics	83,379	54,108
Carbon black	88,563	57,381
Chemicals	55,579	49,524
Others	82,347	45,843
Total	6,18,690	4,17,376

Notes to Financial Statements

for the year ended March 31, 2022

Note 28: Cost of material consumed (Contd..)

Details of closing inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Rubber	34,827	41,388
Fabrics	6,991	4,309
Carbon black	3,578	2,574
Chemicals	5,670	4,308
Others	7,089	6,120
Total [refer note 9(a)]	58,155	58,699

Note 29: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Opening Stock		
Work-in-progress	6,708	4,515
Finished goods	43,238	49,871
Stock in trade	239	2,542
	50,185	56,928
Closing Stock		
Work-in-progress *	7,885	6,708
Finished goods	60,362	43,238
Stock in trade	172	239
	68,419	50,185
Total change in inventories	(18,234)	6,743

* The closing stock is gross off provision towards unusable raw materials aggregating Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 28 Lacs). Refer note 34 for further details.

Note 30: Employee benefit expense

Refer note 2.14 for accounting policy on Retirement and other employee benefits

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Salaries, wages and bonus	55,594	55,597
Contribution to provident and other funds	2,955	2,552
Gratuity expenses (refer note 37)	944	883
Staff welfare expenses	8,933	7,681
Total	68,426	66,713

Note 31: Finance costs

Refer note 2.9 for accounting policy on Borrowing costs and 2.10 for accounting policy on leases

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Interest on debts and borrowings [refer note 3(6)]	17,163	14,746
Other finance charges	783	829
Interest on lease liabilities [refer note 4(b)]	1,331	1,102
Total interest expense	19,277	16,677
Unwinding of decommissioning liability	9	9

Notes to Financial Statements

for the year ended March 31, 2022

Note 31: Finance costs (Contd..)

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Unwinding of deferred payment obligation	326	-
Unwinding of discount on provision of sales related obligation	785	619
Total	20,397	17,305

Note 32: Depreciation and amortization expenses

Refer notes 2.7 for accounting policy on Property, plant and equipment, 2.8 for accounting policy on Intangible assets and 2.10 for accounting policy on leases

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Depreciation of property, plant and equipment (refer note 3)	31,645	26,056
Amortisation of intangible assets (refer note 5)	3,374	3,080
Depreciation of right-of-use assets [refer note 4(a)]	8,495	4,822
Total	43,514	33,958

Note 33: Other expenses

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Conversion charges	31,947	30,718
Stores and spares consumed	9,511	7,769
Provision for obsolescence of stores and spares	(85)	336
Power and fuel	32,766	25,544
Freight and delivery charges	41,440	40,334
Short-term and low value lease rent	859	746
Rates and taxes	139	1,301
Insurance	1,341	1,370
Repairs and maintenance:		
Machinery	7,795	6,232
Buildings	526	661
Others	20	14
Travelling and conveyance	2,651	1,470
Printing and stationery	277	212
Directors' sitting fees (refer note 39)	49	59
Payment to auditors (refer foot note 1)	107	112
Cost audit fees	3	3
Advertisement and sales promotion expenses	16,424	17,120
Commission on sales	1,232	198
Communication expenses	2,109	1,982
Bad debts and advances written off	37	2,427
Allowance for bad debts and advances written back	(37)	(2,427)
	-	-
Allowance for doubtful debts and advances	(338)	100
Loss on disposal of property, plant and equipment (net)	1,072	835
Legal charges	599	221
Foreign exchange fluctuations (net)	-	167
Professional and consultancy charges	5,946	4,207
Commission to directors (refer note 39)	85	434

Notes to Financial Statements

for the year ended March 31, 2022

Note 33: Other expenses (Contd..)

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Training and conference expenses	360	397
Corporate Social Responsibility (CSR) expenses (refer foot note 2)	802	786
Bank charges	278	299
Sales related obligations	11,257	8,018
Miscellaneous expenses	22,346	16,414
Total	1,91,518	1,68,059

Notes:

1) Payment to auditors*

Particulars	(₹ in Lacs)	
	2021-22	2020-21
As auditor		
Audit fee	62	62
Limited review	24	24
In other capacity:		
Other services (including certification fees)	20	25
Reimbursement of expenses	1	1
Total payment to auditor	107	112

* Exclusive of Goods and Services Tax (GST)

2) Details of Corporate Social Responsibility (CSR) expenses

Particulars	(₹ in Lacs)	
	2021-22	2020-21
a) Gross amount required to be spent during the year	802	786

b) Amount spent during the year on on-going projects ended on March 31, 2022 *	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	632	104	736
Total	632	104	736

c) Amount spent during the year on other than on-going projects ended on March 31, 2022 *	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	66	-	66
Total	66	-	66

d) Amount spent during the year on-going projects ended on March 31, 2021 *	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	786	-	786
Total	786	-	786

Nature of CSR activities include promoting education, employment enhancing vocation skills, protection and restoration of National Heritage and promoting healthcare including preventive healthcare and Disaster management.

* Above includes ₹ 104 Lacs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2022 (March 31, 2021: nil). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY22" ("UCSRA - FY22") of the Company within 30 days from end of financial year.

Notes to Financial Statements

for the year ended March 31, 2022

Note 34: Exceptional items

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Voluntary retirement scheme (VRS) (refer foot note a)	703	1,245
Expenses / Losses due to fluctuations in Sri Lanka currency (refer foot note b)	588	-
Expenses / losses attributable to COVID-19 (refer foot note c)	-	2,011
Provision for loss by Fire (refer foot note d)	-	150
Total	1,291	3,406

Notes

- The Company had introduced VRS for employees across the Company. During the year, 38 employees (March 31, 2021, 69 employees) opted for the VRS.
- The Company had recognised dividend income amounting to ₹ 1,581 Lacs from Associated CEAT Holdings Company (Pvt.) Limited, wholly owned subsidiary of the Company based in Sri Lanka. The Company has realised ₹ 762 Lacs towards the aforesaid dividend. The economic situation in Sri Lanka has deteriorated significantly and consequently there has been a devaluation of the currency. The exchange loss of ₹ 588 Lacs towards dividend and other receivables from its subsidiary / joint ventures in Sri Lanka is reflected as an exceptional item for the year ended March 31, 2022.
- The COVID-19 pandemic had a significant impact on the Company operations in the previous year. The Company had made provision for unusable semi finished inventory and raw materials, aggregating Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 258 Lacs) due to abrupt stoppage of production facilities. Further, borrowing costs not capitalised due to temporary suspension related to ongoing capital projects, contract manpower cost and export detention (for the period attributable to the COVID-19) aggregate Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 1,753 Lacs).
- The Company's Halol plant witnessed a fire incident at its Passenger Car Radial Tyre Curing Section (Phase II) on April 08, 2020. The company has provided for the loss (net of insurance claim receivable) of asset and material at ₹ 150 Lacs.

Note 35: Research and development costs

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Capital expenditure	1,325	2,072
Revenue expenditure	10,520	8,418
Total	11,845	10,490

The above expenditure of research and development has been determined on the basis of information available with the Company and as certified by the management.

Note 36: Earnings per share ('EPS')

Refer note 2.19 for accounting policy on Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Profit after tax for calculation of basic and diluted EPS	5,433	41,364
Weighted average number of equity shares (face value per share ₹ 10) in calculating basic EPS and diluted EPS	4,04,50,092	4,04,50,092
Basic EPS (of face value of ₹ 10 each)	13.43	102.26
Diluted EPS (of face value of ₹ 10 each)	13.43	102.26

Note 37: Post-retirements benefit plan

Refer note 2.14 for accounting policy on employee benefits

a) Defined contribution plan

Refer note 30 for Company's contribution to the defined contribution plans with respect to provident fund and other funds.

Notes to Financial Statements

for the year ended March 31, 2022

Note 37: Post-retirements benefit plan (Contd..)

b) Defined benefit plan - Gratuity

Description of plan

The Company has a defined benefit gratuity plan which is funded with an Insurance Company in the form of a qualifying Insurance policy. The Company's defined benefit gratuity plan is a salary plan for employees which requires contributions to be made to a separate administrative fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service.

Governance

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding.

Investment Strategy

The Board of trustees have appointed LIC of India, Birla Sun Life Insurance, India First Life Insurance, Kotak Mahindra Life Insurance & HDFC Life Insurance to manage its funds. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. In case of death, while in service, the gratuity is payable irrespective of vesting.

The following set out the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021.

Balance Sheet

i) Net Assets / (Liability) as at year end

Sr. No.	Particulars	(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
1	Closing present value of the defined benefit obligation	12,508	12,324
2	Closing fair value of plan assets	11,411	11,624
	Net (Liability) / Assets recognized in the Balance Sheet	(1,097)	(700)

Sr. No.	Particulars	(₹ in Lacs)	
		2021-22	2020-21
1	Opening present value of defined benefit obligation	12,324	11,839
2	Current service cost	944	883
3	Interest cost	837	798
4	Benefits paid	(796)	(1,037)
5	Remeasurement (gain) / loss in other comprehensive income		
	- Change in demographic Assumptions	(13)	26
	- Actuarial changes arising from changes in financial assumption	(407)	(52)
	- Experience adjustments	(381)	(133)
	Closing present value of defined benefit obligation	12,508	12,324

Notes to Financial Statements

for the year ended March 31, 2022

Note 37: Post-retirements benefit plan (Contd..)

iii) Changes in fair value of plan assets

(₹ in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	Opening fair value of plan assets	11,624	9,301
2	Expected return on plan assets	790	627
3	Contributions made	-	2,501
4	Benefits paid	(796)	(1,037)
5	Return on plan assets, excluding amount recognised in net interest expense	(207)	232
	Closing fair value of plan assets	11,411	11,624

The Company's gratuity funds are invested through insurers.

Statement of Profit and Loss

iv) Expenses recognised during the year

(₹ in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	In income statement	992	1,054
2	In other comprehensive income	(594)	(391)
	Total expenses recognised during the period	398	663

v) Expenses recognized in the income statement

(₹ in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	Current service cost (refer note 30)	944	883
2	Interest cost on benefit obligation	48	171
	Net benefit expense	992	1,054

vi) Expenses recognized in other comprehensive income

(₹ in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	Remeasurement arising from changes in demographic assumptions	(13)	26
2	Remeasurement arising from changes in financial assumptions	(407)	(52)
3	Remeasurement arising from changes in experience adjustment	(381)	(133)
4	Return on plan assets, excluding amount recognized in net interest expense	207	(232)
	Components of defined benefit costs recognized in other comprehensive income	(594)	(391)

Notes to Financial Statements

for the year ended March 31, 2022

Note 37: Post-retirements benefit plan (Contd..)

vii) Actual return on plan assets for the year ended

(₹ in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	Expected return on plan assets	790	627
2	Actuarial (loss) / gain on plan assets	(207)	232
3	Actual return on plan assets	583	859

viii) The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below

(₹ in Lacs)

Particulars	2021-22	2020-21
Discount Rates (per annum)	7.20%	6.80%
Salary growth rate (per annum)	7.00%	7.00%
Mortality rate (% of Indian Assured Lives Mortality (2012-14) Modified Ultimate)	100%	100%
Disability Rate (% of mortality rate)	5.00%	5.00%
Withdrawal rates, based on service year: (per annum)		
- Below 5 years	9.61%	8.80%
- Equal and above 5 years	3.74%	4.40%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's best estimate of contribution during the next year is ₹ 2,016 Lacs.

ix) Sensitivity analysis of the defined benefit obligation

The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation (Base)	12,508	12,324

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 and March 31, 2021 is as shown below:

(₹ in Lacs)

Particulars	2021-22		2020-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	13,623	11,545	13,413	11,380
(% change compared to base due to sensitivity)	8.90%	(7.70)%	8.80%	(7.70)%
Salary Growth Rate (- / + 1%)	11,536	13,613	11,375	13,399
(% change compared to base due to sensitivity)	(7.80)%	8.80%	(7.70)%	8.70%
Attrition Rate (- / + 50% of attrition rates)	12,520	12,493	12,399	12,259

Notes to Financial Statements

for the year ended March 31, 2022

Note 37: Post-retirements benefit plan (Contd..)

Particulars	(₹ in Lacs)			
	2021-22		2020-21	
	Decrease	Increase	Decrease	Increase
(% change compared to base due to sensitivity)	0.10%	(0.10)%	0.60%	(0.50)%
Mortality Rate (- / + 10% of mortality rates)	12,508	12,509	12,324	12,323
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Demographic Risk and Salary Risk.

Risk	Exposure
Interest	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Investment	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Demographic	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

x) Weighted average duration and expected employers contribution for the next year for the defined benefit plan

The weighted average duration (based on discounted cash flows) of defined benefit obligation is 8 years.

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	1,896	1,742
Between 2 and 5 years	4,287	4,289
Between 5 and 10 years	5,437	5,404
Beyond 10 years	15,278	13,439
Total	26,898	24,874

Compensated absences.

Refer note 20(b) for details on provision made towards compensated absences

Note 38: Commitments and contingencies

a. Contingent Liabilities

Refer note 2.21 for accounting policy on Contingent liabilities and assets (to the extent not provided for)

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
1. Direct and indirect taxation matters*		
Income tax	901	901
Excise duty / Service tax / GST	7,859	7,144
Sales tax	4,517	4,967
Bills discounted with banks	15,164	14,305

Notes to Financial Statements

for the year ended March 31, 2022

Note 38: Commitments and contingencies (Contd..)

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
2. Claims against Company not acknowledged as debts*		
In respect of labour matters	743	654
Vendor disputes	294	294
3. Other claims* (refer foot note a)	28,456	3,234

*in respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

Note:

a) The Competition Commission of India ('CCI') on February 02, 2022 has released its order dated August 31, 2018 on the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association concerning the contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 Lacs on the Company. The Company has filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). The Company believes that it has a strong case and accordingly no provision is considered in these financial results

b. Commitments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payments)	85,105	62,352

c. Others

The Company has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nashik Plant. Hence, the Company has to take prior permission of the appropriate authority for removal / transfer of any asset (falling under the above Schemes) from Nashik Plant. In case of violation of terms & conditions, the Company is required to refund the entire loan / benefit along with the interest @ 22.50% on account of Sales Tax deferral Loan and @ 15% on account of Octroi refund.

d. Material demands and disputes considered as "Remote" by the Company

The Company has been served with a Show Cause cum Demand Notice from the DGCEI (Directorate General of Central Excise Intelligence) Mumbai, on the ground that, the activity of making tyre set, i.e. inserting Tubes and Flaps inside the Tyres and tied up through Polypropylene Straps, amounts to manufacture / pre-packaged commodity under Section 2(f)(iii) of Central Excise Act, read with Section 2(l) of the Legal Metrology Act, 2009. Accordingly, the authorities worked out the differential duty amounting to ₹ 27,672 Lacs i.e., the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April 2011 to June 2017. The Company believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009. The Company has a strong case on the ground that, the said issue has been clarified by the Controller of the Legal Metrology Department vide its letter dated May 01, 1991 that "Tyre with tube & flaps tied with three thin polythene strips may not be treated as a pre-packed commodity within the meaning of rule 2(l) of the Standards of Weights and Measures (Packaged Commodities), Rules, 1977". The above clarification has been re-affirmed vide letter dated November 16, 1992 by the Legal Metrology authorities.

Note 39: Related party transactions

A) Names of related parties and related party relationship

Related parties where control exists

- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- CEAT AKKHAN Limited (Subsidiary Company)
- Rado Tyres Limited("Rado") (Subsidiary Company)
- CEAT Specialty Tires Inc. (Subsidiary Company)
- CEAT Specialty Tyres B.V (Subsidiary Company)

Related parties with whom transactions have taken place during the current year and previous year

- CEAT Kelani Holdings (Pvt.) Limited ("CKHL") (Joint venture of ACHL)

Notes to Financial Statements

for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

- Associated CEAT (Pvt.) Limited ("ACPL") (Subsidiary of CKHL)
- Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL)
- Ceat Kelani Radials Limited ("CKRL") (Subsidiary of CKHL)
- Asian Tyres (Pvt.) Limited ("ATPL") (Subsidiary of CKITL)
- TYRESNMORE Online Pvt Ltd. ("TNM") (Associate Company)
- Greenzest Solar Private Limited ("Greenzest") (Associate Company)
- RPG Enterprises Limited ("RPGE") (Directors, KMP or their relatives are interested)
- RPG Lifesciences Limited ("RPGLS") (Directors, KMP or their relatives are interested)
- Zensar Technologies Limited ("Zensar") (Directors, KMP or their relatives are interested)
- Raychem RPG (Pvt.) Limited ("Raychem") (Directors, KMP or their relatives are interested)
- KEC International Limited ("KEC") (Directors, KMP or their relatives are interested)
- Malabar Coastal Holdings LLP ("Malabar") (Directors, KMP or their relatives are interested)
- Al Sharif Group & KEC Ltd. Co ("AL sharif") (Subsidiary of KEC International Limited)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their relatives are interested)
- Atlantus Dwellings & Infrastructure LLP ("Atlantus") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their relatives are interested)
- Allwin Apartments LLP ("Allwin") (Directors, KMP or their relatives are interested)
- Amber Apartments LLP ("Amber") (Directors, KMP or their relatives are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their relatives are interested)
- CEAT AKKHAN Limited (Subsidiary Company)
- Rado Tyres Limited ("Rado") (Subsidiary Company)
- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- CEAT Limited Superannuation Scheme ("Superannuation Scheme")(Post employment benefit fund)
- CEAT Limited Employees Gratuity Fund ("Gratuity trust")(Post employment benefit fund)
- Artemis ventures Limited ("Artemis") (Directors, KMP or their relatives are interested)
- CEAT Specialty Tires Inc. ("CSTI")(Subsidiary Company)
- CEAT Specialty Tyres B.V ("CSTBV")(Subsidiary Company)
- Seniority Pvt Ltd ("Seniority")(Directors, KMP or their relatives are interested)
- Key Management Personnel (KMP):
 - i) Mr. Harsh Vardhan Goenka, Chairman
 - ii) Mr. Anant Vardhan Goenka, Managing Director
 - iii) Mr. Arnab Banerjee, Whole-time Director
 - iv) Mr Kumar Subbiah, Chief Financial Officer
 - v) Ms. Vallari Gupte, Company Secretary
 - vi) Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director w.e.f. October 25, 2021
 - vii) Mr. Vinay Bansal, Independent Director
 - viii) Mr. Atul Choksey, Independent Director
 - ix) Mr. Mahesh Gupta, Independent Director
 - x) Mr. Haigreva Khaitan, Independent Director
 - xi) Ms. Punita Lal, Independent Director up to January 20, 2021
 - xii) Mr. S. Doreswamy, Independent Director up to March 12, 2019
 - xiii) Ms. Priya Nair w.e.f. October 27, 2020

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for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

B) The following transactions were carried out during the year with the related parties in the ordinary course of business:

Transactions	Related Party	(₹ in Lacs)		
		2021-22	2020-21	
Reimbursement / (recovery) of expenses (net)	ACPL	5	4	
	AL sharif	-	8	
	CKRL	(19)	-	
	CKITL	(12)	(8)	
	Raychem	(4)	(2)	
	KEC	(39)	(12)	
	Rado	(2)	(1)	
	Zensar	(6)	(18)	
	RPGE	250	239	
	TNM	36	-	
	RPGLS	4	(5)	
Total		213	205	
Dividend income, excludes exchange fluctuations	ACHL	1581	1826	
	CSTBV	94	-	
	CSTI	54	-	
	Total	1729	1,826	
Royalty income	ACPL	156	131	
	CKITL	171	143	
	CKRL	354	120	
	ATPL	-	108	
	Total	681	502	
	Purchase of Traded goods	ACPL	-	28
Seniority		32	43	
Greenzest Solar		794	465	
Total		826	536	
Sales	CEAT AKKHAN Limited	9,257	8,686	
	CKITL	4,056	1,557	
	TNM	369	142	
	ACPL	7	28	
	Total	13,689	10,413	
	Investments (including share application money) made during the year	Greenzest Solar	-	468
TNM		380	260	
Total	380	728		
Technical development fees received	CKRL	-	35	
	CKITL	-	75	
	Total	-	110	
Rent paid on residential premises / guest house, etc.	Malabar Coastal Holding	60	45	
	Chattarpati	45	49	
	B N Elias	22	26	
	KEC	8	16	
	Atlantus	-	6	
	Total	135	142	
	Building maintenance recovery	KEC	498	532
		RPGE	139	139

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for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

Transactions	Related Party	(₹ in Lacs)	
		2021-22	2020-21
	RPGLS	130	130
	Raychem	-	56
	Total	767	857
Rent recovery on residential premises	KEC	7	8
	Raychem	1	1
	RPGE	7	13
	Total	15	22
Contribution to Post-Employment Benefit Plans	Gratuity trust	-	2,501
	Superannuation Scheme	78	85
	Total	78	2,586
Receipt from Post-Employment Benefit Plans	Gratuity trust	813	1,037
	Superannuation Scheme	71	45
	Total	884	1,082
Purchase of capex / spares	Raychem	93	-
	KEC	4,456	1,131
	Total	4,549	1,131
Consultancy fees	Artemis	43	29
Marketing Support Services	CSTI	883	517
	CSTBV	759	290
	Total	1,642	807
Legal fees	Khaitan	211	56
License fees	RPGE	1,521	1,375

C) Balance outstanding at the year end

Amount due to / from related party	Related party	(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(7)	-
	CEAT AKKHAN Limited	209	209
	Malabar Coastal Holding	100	100
	CKITL	1	0
	TNM	(1)	-
	KEC	(4)	0
	CKRL	19	-
	Rado	1	0
	Zensar	6	-
	RPGE	35	-
	Raychem	-	0
	RPGLS	4	0
	Total	363	309
Royalty receivable	ACPL	45	84

Notes to Financial Statements

for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

Amount due to / from related party	Related party	(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
	CKITL	92	83
	CKRL	208	63
	ATPL	-	60
	Total	345	290
Trade payables	CEAT AKKHAN Limited	174	174
	CSTI	117	98
	CSTBV	65	79
	Greenzest solar	74	73
	RPGE	-	34
	Chattarpati	3	-
	Khaitan Mumbai	9	26
	Artemis	-	7
	Malabar Coastal Holding	4	-
	Seniority	-	18
	ACPL	-	1
	Total	446	510
Trade receivables	CKITL	2,157	496
	CEAT AKKHAN Limited	928	1,390
	ACPL	31	-
	TNM	199	75
	Total	3,315	1,961
Dividend receivable	ACHL	385	-
	CSTBV	94	-
	Total	479	-
Capital advance / (Capital Creditors) (net)	KEC	(356)	123
	Raychem	-	6
	Total	(356)	129

D) Transactions with key management personnel and their relatives

Sr. No.	Particulars	(₹ in Lacs)	
		2021-22	2020-21
1)	Mr. Harsh Vardhan Goenka		
	Commission*	370	40
	Director sitting fees	5	6
	Dividend	24	-
	Total	399	46
2)	Mr. Anant Vardhan Goenka		
	Salaries	476	124
	Allowances and perquisites	122	145
	Performance bonus*	291	-
	Contribution to provident & superannuation fund	49	44
	Dividend	3	-
	Leave encashment	-	-

Notes to Financial Statements

for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
	Recovered subsequently#	(200)	-
	Total	741	313
3)	Mr. Arnab Banerjee		
	Salaries	276	252
	Allowances and perquisites	4	3
	Performance bonus*	145	73
	Contribution to provident & superannuation fund	20	18
	Total	445	346
4)	Mr. Kumar Subbiah		
	Salaries	241	216
	Allowances and perquisites	3	3
	Performance bonus*	118	61
	Contribution to provident & superannuation fund	8	7
	Rent recovered	(17)	-
	Dividend	0	-
	Total	353	287
5)	Ms. Vallari Gupte		
	Salaries	50	45
	Performance bonus*	17	12
	Contribution to provident & superannuation fund	3	3
	Dividend	0	-
	Leave Encashment	-	-
	Total	70	60
6)	Mr. Paras K. Chowdhary		
	Commission*	10	7
	Director sitting fees	9	10
	Dividend	-	-
	Total	19	17
7)	Mr. Vinay Bansal		
	Commission*	10	7
	Director sitting fees	11	11
	Total	21	18
8)	Mr. Atul C. Choksey		
	Commission*	10	7
	Director sitting fees	5	6
	Total	15	13
9)	Mr. Mahesh S. Gupta		
	Commission*	10	7
	Director sitting fees	10	11
	Total	20	18
10)	Mr. Haigreve Khaitan		
	Commission*	10	7
	Director sitting fees	4	6
	Total	14	13
11)	Ms. Punita Lal		

Notes to Financial Statements

for the year ended March 31, 2022

Note 39: Related party transactions (Contd..)

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
	Commission*	9	7
	Director sitting fees	-	6
	Total	9	13
12)	Ms. Priya Nair		
	Commission	5	-
	Director sitting fees	5	3
	Total	10	3
	Grand Total	2,116	1,147

* Represents amount paid during the year.

E) Balance outstanding at the year end for KMP

		(₹ in Lacs)	
Amount due to related party	Related party	As at March 31, 2022	As at March 31, 2021
Other receivable	Mr. Anant Vardhan Goenka*	200	-
Commission	Mr. Harsh Vardhan Goenka	31	370
Payable	Mr. Paras K. Chowdhary	9	10
	Mr. Vinay Bansal	9	10
	Mr. Atul C. Choksey	9	10
	Mr. Mahesh S. Gupta	9	10
	Mr. Haigreve Khaitan	9	10
	Ms. Punita Lal	-	9
	Ms. Priya Nair	9	5
	Total	85	434

Terms and conditions of transactions with related parties

The sales to and purchases and others transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The remuneration to the key managerial personnel does not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole.

Managerial remuneration is computed as per the provisions of section 198 of the Companies Act, 2013. The amount outstanding are unsecured and will be settled in cash.

*An amount of ₹ 200 Lacs was estimated to be excess remuneration considering the low profits and recovered from Mr Anant Goenka, Managing Director, of which, ₹ 147 Lacs being excess remuneration as per the limits prescribed under section 197 of the Companies Act, 2013, is payable to Mr. Anant Goenka subject to the approval of the shareholders at the ensuing annual general meeting.

Capital commitments with related parties

The estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments) pertaining to the related parties are as follows:

		(₹ in Lacs)	
Related Party		As at March 31, 2022	As at March 31, 2021
Raychem		-	60
KEC		319	2,839

Notes to Financial Statements

for the year ended March 31, 2022

Note 40: Segment information

Refer note 2.20 for accounting policy on Segment reporting

The Company is primarily engaged in business of manufacturing and sales of Automotive Tyres, Tubes & Flaps.

Information about products

Particulars	(₹ in Lacs)					
	2021-22			2020-21		
	Automotive Tyres	Tubes and others	Total	Automotive Tyres	Tubes and others	Total
Revenue from contracts with customers	8,39,607	75,024	9,14,631	6,76,673	77,496	7,54,169

Information about geographical areas

Particulars	(₹ in Lacs)					
	2021-22			2020-21		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	7,36,476	1,78,155	9,14,631	6,48,755	1,05,414	7,54,169
Non-current assets	6,38,718	-	6,38,718	5,72,094	-	5,72,094

During the financial year 2021-22 and 2020-21, no single external customer has generated revenue of 10% or more of the Company's total revenue.

During the financial year 2021-22 and 2020-21, no single country outside India has given revenue of more than 10% of total revenue.

Note 41: Hedging activities and derivatives

Derivatives designated as hedging instruments

The Company uses derivative financial instruments such as foreign currency forward and options contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of recognized purchase payables, committed future purchases, recognized sales receivables and forecast sales.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Hedged foreign currency exposure

Derivative instrument	Purpose	Currency	(Amount in Foreign currency and ₹ in Lacs)			
			As at March 31, 2022		As at March 31, 2021	
			Foreign Currency	₹	Foreign Currency	₹
Forward contract to sell foreign currency	Hedge of Foreign Currency sales	USD	332	25,177	198	14,467
		EUR	49	4,101	24	2,042
	Hedge of Foreign Currency High probable sales	USD	318	24,063	250	18,276

Notes to Financial Statements

for the year ended March 31, 2022

Note 41: Hedging activities and derivatives (Contd..)

Derivative instrument	Purpose	Currency	(Amount in Foreign currency and ₹ in Lacs)			
			As at March 31, 2022		As at March 31, 2021	
			Foreign Currency	₹	Foreign Currency	₹
Forward contract to buy foreign currency	Hedge of foreign currency purchase	USD	252	19,083	290	21,173
		EUR	101	8,496	147	12,610
		GBP	0	34	-	-
		JPY	2,255	1,401	849	560
Hedge of Foreign Currency Firm Commitment – PO based hedging		USD*	653	49,520	774	56,570
		EUR	109	9,203	115	9,873
		GBP	2	179	2	207
		CHF	-	-	0	37
		JPY	5,473	3,401	3,528	2,329

* This includes USD 4.1 Lakhs hedged under option contract

Unhedged foreign currency exposure*

Particulars	Currency	(Amount in foreign currency in Lacs)	
		2021-22	2020-21
Trade Receivables	USD	15	2
	EURO	8	6

* The trade payables / short term borrowings are naturally hedged (off-set) to the extent of exposure under trade receivables / advances for respective currencies.

The terms of the foreign currency forward and options contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through the Statement of Profit and Loss.

The cash flow hedges as at March 31, 2022 were assessed to be highly effective and a net unrealised loss of ₹ 56 Lacs, with a deferred tax asset of ₹ 14 Lacs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2021 were assessed to be highly effective and a net unrealised loss of ₹ 1,759 Lacs, with a deferred tax asset of ₹ 516 Lacs relating to the hedging instruments, was included in OCI.

Note 42: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Note	(₹ in Lacs)	
		Carrying value / Fair value	
		As at March 31, 2022	As at March 31, 2021
Financial assets			
a) Measured at fair value through profit and loss			
Investments in others	6	813	402
b) Measured at amortised cost			
Investment in subsidiaries and associate	6	11,789	11,409
Other financial assets (non-current)	7	959	891
Total		13,561	12,702
Financial liabilities			
a) Measured at fair value through other comprehensive income			
Derivative financial instruments (non-current and current)	19 and 24	1,642	1,541
b) Measured at amortised cost			
Lease liability (non-current and current)	4	13,209	11,497

Notes to Financial Statements

for the year ended March 31, 2022

Note 42: Fair values (Contd..)

(₹ in Lacs)

Particulars	Note	Carrying value / Fair value	
		As at March 31, 2022	As at March 31, 2021
Borrowings (non-current)	18	1,71,916	1,34,104
Other financial liabilities (non-current)	19	4,083	1,220
Total		1,90,850	1,48,362

The Management assessed that fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, short term borrowings, other current financial assets and liabilities (except derivative financial instrument those being measured at fair value through other comprehensive income) which are receivable / payable within one year approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 43: Fair value hierarchy

The fair value of financial instruments as referred to in note 42 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- **Level 1:** Quoted prices for identical instruments in an active market;
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities as at March 31, 2022 and March 31, 2021

(₹ in Lacs)

Particulars	Total	Fair Value measurement using		
		Level 1	Level 2	Level 3
As at March 31, 2022				
Financial assets at fair value				
a) Through profit & loss				
Investments in others	813	-	-	813
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	1,642	-	1,642	-
As at March 31, 2021				
Financial assets at fair value				
a) Through profit & loss				
Investments in others	402	-	-	402
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	1,541	-	1,541	-

There have been no transfers between Level 1 and Level 2 during the period.

Notes to Financial Statements

for the year ended March 31, 2022

Note 43: Fair value hierarchy (Contd..)

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Derivative financial instruments: The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates, etc.

Investment in others: The fair value is calculated using the Discounted Cashflow method where the significant unobservable input used is discount rate - 17.57%.

Note 44 : Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors through its Risk Management Committee reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Interest rate risk;
- Foreign currency risk;
- Equity price risk; and
- Commodity risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

i. Interest rate risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Relates primarily to the Company's long-term debt obligations with floating interest rates.	The Company manages its interest rate risk pertaining to domestic borrowings by maintaining a balanced portfolio of borrowings linked to various tenor benchmark of MCLR, Repo rate and T-Bills. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at March 31, 2022, after taking into account the effect of interest rate swaps, approximately 22% of the Company's total borrowings are at a fixed rate of interest (March 31, 2021: 19%).

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Note 44 : Financial risk management objectives and policies (Contd..)

The following table provides a break-up of Company's fixed and floating rate borrowing (gross off processing fees)

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	46,713	27,115
Floating rate borrowings	1,60,834	1,13,073
Total borrowings	2,07,547	1,40,188

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in Lacs)	
	Increase / decrease in basis points	Effect on profit before tax
March 31, 2022		
₹ 1,60,834 Lacs	+ / - 100 bps	-1,608.34 / +1,608.34
March 31, 2021		
₹ 1,13,073 Lacs	+ / - 100 bps	-1,130.73 / +1,130.73

ii. Foreign currency risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.	Relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).	For the committed transactions, The Company manages its foreign currency risk by hedging transactions till the actual date of inflow & outflow. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. As at March 31, 2022, the Company has hedged 99% (March 31, 2021: 99%) of its foreign currency receivables / payables.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and EURO rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	(₹ in Lacs)	
	Change in Currency	Effect on profit before tax
March 31, 2022		
Recognized net receivable – USD 1.5 Mio	₹ + 1 / - 1	+ 15 / - 15
Recognized net receivable – EUR 0.8 Mio	₹ + 1 / - 1	+ 8 / - 8

Notes to Financial Statements

for the year ended March 31, 2022

Note 44 : Financial risk management objectives and policies (Contd..)

Particulars	(₹ in Lacs)	
	Change in Currency	Effect on profit before tax
March 31, 2021		
Recognized net receivable – USD 0.20 Mio	₹ + 1 / - 1	+ 2.0 / - 2.0
Recognized net receivable – EUR 0.60 Mio	₹ + 1 / - 1	+6.0 / -6.0

The movement in the pre-tax effect is a result of a change in the fair value of the financial asset / liability due to the exchange rate movement. The derivatives which have not been designated in a hedge relationship act as an economic hedge and will offset the underlying transactions when they occur. The same derivatives are not covered in the above table.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

iii. Equity price risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 6. The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

iv. Commodity price risk

Potential impact	Exposure	Risk Management
Fluctuations in price of essential raw materials.	Price volatility of rubber and carbon black which may affect continuous supply.	The Company's Board of Directors has reviewed and approved a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table approximately details the Company's sensitivity to a 5% movement in the input price of rubber and carbon black. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity and the balances below would be negative.

Commodity	(₹ in Lacs)			
	Increase in profit due to decrease in commodity price		Decrease in profit due to increase in commodity price	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Natural rubber	8,800	6,700	(8,800)	(6,700)
Synthetic rubber	6,600	4,500	(6,600)	(4,500)
Carbon black	4,200	2,800	(4,200)	(2,800)

Notes to Financial Statements

for the year ended March 31, 2022

Note 44 : Financial risk management objectives and policies (Contd..)

b) Credit risk

Trade receivables

Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Risk Management:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

Trade receivables are non-interest bearing and are generally on 27 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Export receivables are against Letter of Credit, bank guarantees, payment against documents. For open credit exports insurance cover is taken. Generally deposits are taken from domestic debtors under replacement segment. The carrying amount and fair value of security deposit from dealers amounts to ₹ 42,641 Lacs (March 31, 2021: ₹ 42,003 Lacs) as it is payable on demand. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(₹ in Lacs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Less than 180 days	More than 180 but less than 360 days	More than 360 days	Less than 180 days	More than 180 but less than 360 days	More than 360 days
Expected loss rate	0.00%	50.00%	100.00%	0.00%	50%	100.00%
Gross carrying amount	1,15,243	88	1,311	92,186	79	1,559
Loss allowance provision	-	44	1,311	-	39	1,559

c) Liquidity risk

The Company prepares cash flow on a daily basis to monitor liquidity. Any shortfall is funded out of short term loans. Any surplus is invested in appropriate mutual funds and bank deposits. The Company also monitors the liquidity on a longer term wherein it is ensured that the long term assets are funded by long term liabilities. The Company ensures that the duration of its current assets is in line with the current liabilities to ensure adequate liquidity in the 3-6 months period.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Liquidity exposure

(₹ in Lacs)

Particulars	< 1 year	1-5 years	> 5 years	Total
As at March 31, 2022				
Non current borrowings*	-	1,22,397	49,925	1,72,322
Current borrowings	35,224	-	-	35,224
Lease liability	5,920	6,527	3,560	16,007
Other financial liabilities	79,275	3,990	93	83,358
Trade and other payables	2,15,500	-	-	2,15,500
Total	3,35,919	1,32,914	53,578	5,22,411
Derivative financial instruments	1,562	80	-	1,642
Total	3,37,481	1,32,994	53,578	5,24,053

Notes to Financial Statements

for the year ended March 31, 2022

Note 44 : Financial risk management objectives and policies (Contd..)

(₹ in Lacs)

Particulars	< 1 year	1-5 years	> 5 years	Total
As at March 31, 2021				
Non current borrowings*	-	82,315	52,269	1,34,584
Current borrowings	5,604	-	-	5,604
Lease liability	5,592	5,321	3,030	13,943
Other financial liabilities	79,297	1,084	136	80,517
Trade and other payables	1,83,587	-	-	1,83,587
Total	2,74,080	88,720	55,435	4,18,235
Derivative financial instruments	1,494	47	-	1,541
Total	2,75,574	88,767	55,435	4,19,776

* Non-current borrowings are before netting off of processing fees

Note 45: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (note 18 and 22)	2,07,140	1,39,708
Less: cash and cash equivalents (note 11)	(1,300)	(1,956)
Net debt	2,05,840	1,37,752
Equity (note 15 and 16)	3,15,027	3,16,474
Capital and net debt	5,20,867	4,54,226
Gearing ratio	40%	30%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note 46 : Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial statements including the recoverability of the carrying value of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying value of the assets will be recovered and there is no significant impact on liabilities accrued other than those reported in note 36. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Notes to Financial Statements

for the year ended March 31, 2022

Note 47: Material foreseeable losses

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note 48: Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Note 49: Ratio analysis and its elements

(₹ in Lacs)

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.71	0.73	(2.05)%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.66	0.44	48.95%	Increase is mainly due to increase in borrowings pertaining to capital expansion projects as compared to the previous year.
Debt Service Coverage ratio	Earnings for debt service = (EBITDA * - Tax expenses) for the period	Debt service = Interest** & Lease Payments + Principal Repayments	1.88	3.05	(38.42)%	Reduction is mainly on account of reduced profits and increase in principal repayments of borrowings as compared to the previous year.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	2%	14%	(87.68)%	Reduction is mainly on account of lower profits in current year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory of finished goods, work-in-progress and stock-in trade	10.14	8.02	26.37%	Increase is mainly because the proportion of increase in cost of goods sold is more than increase in average inventory.
Trade Receivable Turnover Ratio	net sales	Average Trade Receivable	8.75	9.44	(7.31)%	-

Notes to Financial Statements

for the year ended March 31, 2022

Note 49: Ratio analysis and its elements

(₹ in Lacs)

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
Trade Payable Turnover Ratio	Net credit purchases = RM purchases + Other expenses	Average Trade Payables	4.06	4.14	(1.92)%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	#	#	#	-
Net Profit ratio	Net Profit/(loss) after tax	Revenue from operations	0.58	5.46	(89.32)%	Net profits have reduced mainly because of the steep increase in raw material costs and lower margins.
Return on Capital Employed	Earnings before interest, taxes and exceptional items	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	5.45%	14.16%	(61.50)%	Reduction is mainly due to the reduced profits in current year.
Return on Investment	Interest income on bank deposits	Bank deposits	2.5% to 5.5%	2% to 5.5%	-	-

* EBITDA = Earnings before finance costs, tax expenses, depreciation and amortisation expenses, exceptional items and other income

** Interest costs include interest on borrowings, interest on lease liabilities and other financial charges, including interest capitalised and disclosed in exceptional items for the period

Net working capital is negative

Note 50: Compliance With Approved Scheme Of Amalgamation

During FY 2020-21, the Company completed the merger of CEAT Specialty Tyres Limited (a wholly-owned subsidiary of the Company, the transferor company) via scheme of amalgamation. As per the scheme, the assets and liabilities pertaining to the transferor company have been transferred and vested to the Company at their book values from the appointed date being April 01, 2019. The amalgamation has been accounted for in accordance with Appendix C of Ind AS 103 'Business Combinations'. Further, current tax and deferred tax for year ended March 31, 2021 includes the impact on tax expenses consequent to the aforesaid amalgamation.

Note 51: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified certain amendments to existing Ind AS via notification dated 23 March 2022. The same shall come into force from annual reporting period beginning on or after 1st April 2022 which the Company has not applied as they are not effective for annual period beginning on or after 1 April 2021.

Key synopsis are as under:

- Ind AS 16 Property, Plant and Equipment - For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in statement of profit and loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets - Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 103 - Business Combination - Reference to revised Conceptual Framework. For contingent liabilities/levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

While preparing the financial statement for the year ended 31 March 2022, the above amendments are not considered for disclosure as standards notified by Ministry of Corporate Affairs, but not yet effective, in accordance with IND AS.

Notes to Financial Statements

for the year ended March 31, 2022

Note 52: Code on Social Security 2020

The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the company towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period of notification of the relevant provisions.

Note 53: Previous year figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification. Refer note 2.19 for accounting policy on Amendments to Schedule III of the Companies Act, 2013.

As per our report of even date

For and on behalf of Board of Directors of CEAT Limited

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah

Chief Financial Officer

H.V.Goenka

Chairman

Anant Goenka

Managing Director

per Sudhir Soni

Partner
Membership Number : 41870

Vallari Gupte

Company Secretary

Mahesh Gupta

Chairman- Audit Committee

Place: Mumbai
Date: May 05, 2022

Place: Mumbai
Date: May 05, 2022

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of CEAT Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the

Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters

Significant estimates and judgment relating to capitalisation of property, plant and equipment (refer note 2.10 (accounting policy), note 3 (financial disclosures) to the consolidated Ind AS financial statements)

As a part of ongoing expansion plan, the Group has incurred significant capital expenditure mainly on greenfield project at Chennai and brownfield expansion at Halol, Nagpur and Ambarnath plants. The capital expenditure requires consideration of the nature of costs incurred to ensure that capitalization of property, plant and equipment meets the specific recognition criteria under Ind AS 16, 'Property, Plant and Equipment' and also judgement is involved in assigning appropriate useful economic lives to respective assets.

Auditor's Response

Our audit procedures included the following:

- We examined the nature of property, plant and equipment capitalised by the Company to verify that the assets capitalised meets the recognition criteria set out in Ind AS 16
- We evaluated and tested the design effectiveness and operating effectiveness of internal controls with respect to the capitalization of property plant and equipment

Key audit matters

As a result, this was noted as a key audit matter, considering the significance of amounts involved.

As disclosed in Note 3 to the consolidated Ind AS financial statements, as at March 31, 2022 the carrying value of property, plant and equipment including capital work-in-progress is ₹ 5,94,656 Lacs.

Auditor's Response

- We examined the useful economic lives and residual value assigned to assets capitalised during the year with reference to the Company's historical experience and technical evaluation and our understanding of the Company's business.
- We compared the capitalisations during the year to approved budgets;
- We assessed the disclosures in the consolidated Ind AS financial statements relating to capitalisation of property, plant and equipment.

Significant estimates and judgment relating to capitalisation of intangibles (refer note 2.11 (accounting policy), note 5 (financial disclosures) to the consolidated Ind AS financial statements)

Intangible Asset and Intangible asset under development are deemed significant to our audit as specific criteria needs to be met for capitalization. This involves management judgment, such as technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication of impairment of the carrying value of assets, requires management judgment and assumptions which are affected by future market or economic developments.

Our audit procedures included the following:

- We examined the nature of intangible assets capitalised by the Company to verify that the assets capitalised meets the recognition criteria set out in Ind AS 38
- We evaluated and tested the design effectiveness and operating effectiveness of internal controls with respect to the capitalization of intangible assets and intangible assets under development
- We tested the amortization charge and estimate of useful life of Intangible asset.
- We compared the capitalisations during the year to approved budgets
- We assessed the disclosures in the consolidated Ind AS financial statements relating to capitalisation of intangible assets and intangible assets under development.

Litigation, claims and contingencies (refer note 2.24 (accounting policy), note 22 (financial disclosures) and note 43 (financial disclosures) to the consolidated Ind AS financial statements)

The Group is involved in material legal proceedings including direct and indirect taxes, contracts and other regulatory matters relating to conduct of its business.

The Group assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The aforesaid assessment involves significant judgement and estimates.

The evaluation of management's judgments, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise and the quantification of potential financial impact have been a matter of most significance during the current year audit. Evaluation of the outcome of legal proceedings and whether the risk of loss requires significant judgment by management given the complexities involved.

Our principal audit procedures included the following:

- We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax and other demands, proceedings and investigations and related provisions and disclosures.
- We obtained a list of litigations and claims from the Company's tax and legal head. We identified material litigations from the list and performed inquiries with the said tax and legal head on the management evaluation of these material litigations.
- In relation to the material litigations, claims and contingencies, we involved our legal/tax specialists to perform an independent assessment of the conclusions reached by management.
- We obtained independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and demands. We evaluated the independence, objectivity and competency of the Company's external lawyers/advisors involved.
- We evaluated the management's assumptions, estimates and judgments used in the calculations of provision for litigation, claims and contingencies and related disclosures in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of ₹ 27,635 Lacs as at March 31, 2022 and total revenues of ₹ 13,740 Lacs and net cash inflows

of ₹ 44 Lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 2,875 Lacs for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of two associates and four joint ventures, whose Ind AS financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

- (b) Our opinion above on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company and associate companies incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive

Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- (d) (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company and associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiary, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 22 and 43(a) to the consolidated Ind AS financial statements;
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-

term contracts including derivative contracts – Refer Note 21, 26 and 54 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associates, incorporated in India during the year ended March 31, 2022.
- iv. a) The respective managements of the Holding Company and its subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary and associates to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary and associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 19 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject

to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the Holding Company's subsidiary and associate companies incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870

UDIN: 22041870AILKMX5400

Place of Signature: Mumbai

Date: May 05, 2022

ANNEXURE 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of CEAT Limited

(Referred to in paragraph 1, under 'Report on other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the financials and explanations sought by us and given by the Holding Company, its subsidiary and associate which are companies incorporated in India and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the subsidiary and associate which are companies incorporated in India and included in the consolidated financial statements. The audit report under Companies (Auditors Report) Order, 2020 of the following component included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report, as it has a different year-end.

S.No	Name	CIN	Subsidiary/ associate/ joint venture
1	Greenzest Solar Private Limited	U40300MH2019PTC325558	Associate

ANNEXURE 2 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of CEAT Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of CEAT Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial

statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Ind AS financial statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the

internal financial control with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors as referred to in the Other Matter paragraph below, the Holding Company, its subsidiary company and associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary company and associates which are companies incorporated in India, is based on the corresponding reports of the auditors of a subsidiary company and its associates, being companies incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 22041870AILKMX5400

Place of Signature: Mumbai
Date: May 05, 2022

Consolidated Balance Sheet

as at March 31, 2022

Particulars	Note	As at	
		March 31, 2022	March 31, 2021
(₹ in Lacs)			
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,11,729	4,55,705
(b) Capital work-in-progress	3	82,927	76,786
(c) Right-of-use assets	4	12,379	10,783
(d) Intangible assets	5	8,810	9,855
(e) Intangible assets under development	5	4,661	2,500
(f) Investments accounted using equity method	6	17,102	20,607
(g) Financial assets			
(i) Investments	7	813	402
(ii) Other financial assets	8	1,187	1,118
(h) Non-current tax assets (net)	23	5,855	5,650
(i) Deferred tax assets (net)	23	80	69
(j) Other non-current assets	9	6,323	5,648
Total non-current assets		6,51,866	5,89,123
(2) Current assets			
(a) Inventories	10	1,30,956	1,12,991
(b) Financial assets			
(i) Trade receivables	11	1,15,432	92,156
(ii) Cash and cash equivalents	12	2,377	3,609
(iii) Bank balances other than cash and cash equivalents	13	1,254	703
(iv) Other financial assets	14	5,938	4,165
(c) Other current assets	15	8,119	10,318
(d) Assets held-for-sale	16	92	93
Total current assets		2,64,168	2,24,035
Total assets		9,16,034	8,13,158
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	4,045	4,045
(b) Other equity	18	3,23,236	3,27,584
Equity attributable to equity holders of parent		3,27,281	3,31,629
(c) Non-controlling interest	39	2,354	2,324
Total equity		3,29,635	3,33,953
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1,71,916	1,34,104
(ii) Lease liabilities	4	8,047	6,690
(iii) Other financial liabilities	21	4,163	1,266
(b) Provisions	22	4,168	4,529
(c) Deferred tax liability (net)	23	31,769	28,000
Total non-current liabilities		2,20,063	1,74,589
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	37,762	7,652
(ii) Lease liabilities	4	5,162	4,807
(iii) Trade payables	25	2,15,758	1,83,946
(iv) Other financial liabilities	26	81,464	81,384
(b) Provisions	22	12,633	10,885
(c) Current tax liabilities (net)	23	1,969	4,963
(d) Other current liabilities	27	11,588	10,979
Total current liabilities		3,66,336	3,04,616
Total equity and liabilities		9,16,034	8,13,158
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah
 Chief Financial Officer

H. V. Goenka
 Chairman

Anant Goenka
 Managing Director

per Sudhir Soni
 Partner
 Membership Number : 41870

Vallari Gupte
 Company Secretary

Mahesh Gupta
 Chairman - Audit Committee

Place: Mumbai
 Date: May 05, 2022

Place: Mumbai
 Date: May 05, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Note	As at	
		2021-22	2020-21
(₹ in Lacs)			
I Income			
Revenue from operations	28	9,36,341	7,60,960
Other income	29	1,140	1,381
Total income		9,37,481	7,62,341
II Expenses			
Cost of material consumed	30	6,18,690	4,17,376
Purchase of stock-in-trade		2,868	2,817
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(18,799)	6,435
Employee benefit expenses	32	69,380	67,545
Finance costs	33	20,695	17,551
Depreciation and amortization expenses	34	43,520	33,963
Other expenses	35	1,93,223	1,68,490
Total expenses		9,29,577	7,14,177
III Profit before share of profit of associates and joint venture, exceptional items and tax		7,904	48,164
IV Share of profit / (loss) of associate and joint venture	40, 41	2,875	3,631
V Profit before exceptional items and tax		10,779	51,795
VI Exceptional items	36	1,291	3,406
VII Profit before tax		9,488	48,389
VIII Tax expenses	23		
Current tax		(1,197)	4,184
Deferred tax		3,627	975
IX Profit for the year		7,058	43,230
Attributable to			
(a) Non-controlling interest	39	(62)	26
(b) Equity holders of the parent		7,120	43,204
X Other comprehensive income			
(a) Items that will not be reclassified subsequently to the statement of profit and loss			
(i) Remeasurement gains / (losses) on defined benefit plans	42	550	381
(ii) Income tax relating to above	23	(141)	(97)
(b) Items that will be reclassified subsequently to the statement of profit and loss			
(i) Net movement of cash flow hedges		(56)	(1,792)
(ii) Income tax relating to above	23	14	516
(iii) Net movement in foreign exchange fluctuation reserve	52	(4,569)	(1,365)
Total other comprehensive income / (loss) for the year (net of tax)		(4,202)	(2,357)
XI Total comprehensive income for the year [Comprising profit and other comprehensive income / (loss) for the year]		2,856	40,873
Attributable to			
(a) Non-controlling interest	39	(62)	26
(b) Equity holders of the parent		2,918	40,847
XIII Earnings per equity share (of face value of ₹ 10 each)	38		
(a) Basic (in ₹)		17.60	106.81
(b) Diluted (in ₹)		17.60	106.81
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah
 Chief Financial Officer

H. V. Goenka
 Chairman

Anant Goenka
 Managing Director

per Sudhir Soni
 Partner
 Membership Number : 41870

Vallari Gupte
 Company Secretary

Mahesh Gupta
 Chairman - Audit Committee

Place: Mumbai
 Date: May 05, 2022

Place: Mumbai
 Date: May 05, 2022

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

Particulars	(₹ in Lacs)	
	2021-22	2020-21
I Cash Flow From Operating Activities		
Profit before tax and excluding share of profit / (loss) of associates and joint venture	6,613	44,758
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	43,520	33,963
Interest income	(298)	(494)
Gain arising on investments measured at fair value through profit or loss	(13)	-
Finance costs	20,695	17,551
Provision for obsolescence of stores and spares	(85)	336
Allowance for doubtful debts and advances	(338)	103
Loss on sale of property, plant and equipment (net)	1,072	650
Unrealised foreign exchange (gain) / loss (net)	(89)	8
Unrealised foreign exchange loss on Sri Lankan Currency (refer note 36)	332	-
Foreign Currency Translation Reserve on Consolidation	(161)	(1,551)
Provision for unusable inventories (refer note 36)	-	407
Operating profit before working capital changes	71,248	95,731
Adjustments for :		
Decrease / (Increase) in inventories	(17,880)	(20,758)
Decrease / (Increase) in trade receivables	(22,991)	(25,096)
Decrease / (Increase) in other current assets and other financial assets	425	3,961
Decrease / (Increase) in non-current asset and other financial assets	(250)	(349)
(Decrease) / Increase in trade payables	31,943	72,078
(Decrease) / Increase in current financial liabilities and other current liabilities	(615)	15,800
(Decrease) / Increase in non-current financial liabilities	70	80
(Decrease) / Increase in current provisions	2,298	(1,053)
(Decrease) / Increase in non-current provisions	(361)	494
Cash flows from operating activities	63,887	1,40,888
Direct taxes paid (net of refunds)	(1,998)	(5,122)
Net cash flow generated from operating activities (I)	61,889	1,35,766
II Cash Flow From Investing Activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in progress, intangible assets under development and capital advance)	(95,867)	(63,948)
Proceeds from sale of property, plant and equipment	290	477
Withdrawal of margin money deposit with banks	43	7
Changes in other bank balances	(551)	(22)
Purchase of non current investments	(398)	-
Investment in associates	(380)	(728)
Dividend received from Joint Venture	2,127	1,825
Interest received	299	583
Net cash flow (used in) investing activities (II)	(94,437)	(61,806)

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

Particulars	(₹ in Lacs)	
	2021-22	2020-21
III Cash Flow From Financing Activities		
Interest paid	(19,437)	(16,279)
Proceeds / (repayment) of short term borrowings (net)	21,852	(21,545)
Proceeds from long-term borrowings	51,622	26,164
Repayment of long-term borrowings	(5,551)	(55,766)
Payment of lease liabilities	(9,710)	(5,627)
Dividend paid	(7,460)	(38)
Net cash flow (used in) / generated from financing activities (III)	31,316	(73,091)
Net increase / (decrease) in cash and cash equivalents (I + II + III)	(1,232)	869
Cash and cash equivalents at the beginning of the year (refer note 12)	3,609	2,740
Cash and cash equivalents at the end of the year (refer note 12)	2,377	3,609

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

Kumar Subbiah
Chief Financial Officer**H. V. Goenka**
Chairman**Anant Goenka**
Managing Director**per Sudhir Soni**

Partner

Membership Number : 41870

Vallari Gupte
Company Secretary**Mahesh Gupta**
Chairman - Audit Committee

Place: Mumbai

Date: May 05, 2022

Place: Mumbai

Date: May 05, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

Particulars	Other equity					Items of other comprehensive income			Total other equity	Non-controlling interest	Total equity
	Equity share capital * (refer note 17)	Securities premium (refer note 18(a))	Capital reserve (refer note 18(b))	Capital redemption reserve (refer note 18(c))	General reserve (refer note 18(f))	Retained earnings (refer note 18(g))	Cash flow hedge reserve (refer note 18(d))	Foreign currency translation reserve (refer note 18(e))			
As at March 31, 2020	4,045	56,703	1,415	390	25,166	2,03,276	563	(766)	2,86,747	2,365	2,93,157
Profit for the year	-	-	-	-	43,204	43,204	-	-	43,204	26	43,230
Other comprehensive income	-	-	-	-	284	284	(1,276)	(1,365)	(2,357)	-	(2,357)
Total comprehensive income	-	-	-	-	43,488	43,488	(1,276)	(1,365)	40,847	26	40,873
Increase / (Decrease) in capital reserve	-	-	(10)	-	-	-	-	-	(10)	-	(10)
Forex gain / (loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	-	(67)	(67)
As at March 31, 2021	4,045	56,703	1,405	390	25,166	2,46,764	(713)	(2,131)	3,27,584	2,324	3,33,953
Profit for the year	-	-	-	-	7,120	7,120	(42)	(4,569)	7,120	(62)	7,058
Other comprehensive income	-	-	-	-	409	409	(42)	(4,569)	(4,202)	-	(4,202)
Total comprehensive income	-	-	-	-	7,529	7,529	(42)	(4,569)	2,918	(62)	2,856
Increase / (Decrease) in capital reserve	-	-	15	-	-	-	-	-	15	-	15
Payment of dividend (refer note 19)	-	-	-	-	-	(7,281)	-	-	(7,281)	-	(7,281)
Forex gain / (loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	-	92	92
As at March 31, 2022	4,045	56,703	1,420	390	25,166	2,47,012	(755)	(6,700)	3,23,236	2,354	3,29,635

* Changes in equity share capital due to prior period errors for the year ended March 31, 2022 is Nil (March 31, 2021: Nil).

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For S R B C & COLL P
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

Anant Goenka
 Managing Director

H. V. Goenka
 Chairman

Kumar Subbiah
 Chief Financial Officer

Vallari Gupte
 Company Secretary

Mahesh Gupta
 Chairman - Audit Committee

per Sudhir Soni
 Partner

Membership Number : 41870

Place: Mumbai

Date: May 05, 2022

Place: Mumbai

Date: May 05, 2022

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 1: Group Corporate Information

The consolidated financial statements comprise financial statements of CEAT Limited ("the Company") and its subsidiaries (collectively, "the Group"), associates and jointly controlled entity for the year ended March 31, 2022. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's principal business is manufacturing of automotive tyres,

tubes and flaps. The Group started operations in 1958 as CEAT Tyres of India Limited and was renamed as CEAT Limited in 1990. The Company caters to both domestic and international markets. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at RPG House, 463, Dr Annie Besant Road, Worli, Mumbai, Maharashtra 400030. The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 05, 2022.

The following subsidiaries, associate and jointly controlled entities have been considered in the consolidated financial statements

a) Subsidiaries

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2022	March 31, 2021
CEAT Specialty Tyres Inc.	Marketing Support Services	United States of America	100.00%	100.00%
CEAT Specialty Tyres B.V	Marketing Support Services	Netherlands	100.00%	100.00%
Associated CEAT Holdings Company (Pvt.) Ltd.	Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00%	100.00%
CEAT AKKHAN Limited	Trading of tyres, tubes and flaps	Bangladesh	70.00%	70.00%
Rado Tyres Limited	Manufacturing of tyres	India	58.56%	58.56%

b) Joint venture

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2022	March 31, 2021
CEAT Kelani Holding (Pvt) Limited [Joint venture of Associated CEAT Holdings Company (Pvt.) Ltd.]	Manufacturing of tyres	Sri Lanka	50%	50%

c) Associates

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2022	March 31, 2021
Greenzest Solar Private Limited	Production of solar electricity	India	28.00%	28.00%
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	*49.83%	*44.61%

* Includes compulsory convertible preference shares (potential voting right)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 2: Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

2.1.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act 2013 (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated financial statements are presented in "₹", the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lacs as per the requirements of Schedule III of the Companies Act, 2013, unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand.

2.1.2 Measurement

These consolidated financial statements are prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. The Group's investment in jointly controlled entities and associate are accounted for using the equity method. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to

affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes,

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine items like assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be

required if the Group had directly disposed of the related assets or liabilities.

2.3 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value as on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit

Notes to Consolidated Financial Statements

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and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.4 Investment in joint venture and associate

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in joint venture and associate are accounted for using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture or associate since the acquisition date. Goodwill relating to joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of joint venture and associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture or associate are eliminated to the extent of the interest in joint venture or associate.

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the consolidated statement of profit and loss.

The financial statements of joint venture and associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of joint venture or associate and its carrying value and then recognises the loss as 'Share of profit of a joint venture and associate' in the statement of profit or loss.

2.5 Current versus non-current classification

The Group presents assets and liabilities in the Balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

2.6 Revenue recognition

2.6.1 Revenue from contracts with customers

Revenues from contracts with customers are recognized when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group acts as the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

An entity collects Goods and Services Tax ('GST') on behalf of the government and not on its own account. Hence it is excluded from revenue, i.e., revenue is net of GST.

2.6.2 Sale of Goods:

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at the point of time when control of the goods is transferred to customer depending on terms of sales.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, if any.

2.6.3 Variable consideration

Variable consideration includes various forms of discounts like volume discounts, price concessions, incentives, etc. on the goods sold to its dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts.

2.6.4 Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.6.5 Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 2.18 Financial Instruments in accounting policies.

2.6.6 Royalty:

The Group also earns sales based royalty income which is recognised as revenue over the period of time. This is because in such arrangements, the customer gets a right to access the Company's intellectual property throughout the license period. The revenue to be recognised is determined based on a specified percentage of the sales made by the customer.

2.6.7 Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the Effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

2.6.8 Dividends:

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

2.7 Government grants, subsidies and export incentives

Government grants / subsidies are recognised when there is reasonable assurance that the Group will comply with all the conditions attached to them and that the grant / subsidy will be received.

The Group has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective State Industrial Promotion Subsidy.

The Group has chosen to adjust grant under the Export Promotion Capital Goods ('EPCG') scheme from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20.

Export Incentive under Merchandise Export from India Scheme ('MEIS') is recognised in the consolidated statement of profit and loss as a part of other operating revenues.

2.8 Taxes

2.8.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Group operates and generates taxable income.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Current tax relating to items recognised outside the consolidated statement of profit and loss is either in Other Comprehensive Income ("OCI") or in equity. Current tax items are recognised in correlation to the underlying transaction either in consolidated statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in Other Income.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group's domicile.

2.8.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused

tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit and loss is recognised either in OCI or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8.3 GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

Notes to Consolidated Financial Statements

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- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance sheet.

2.9 Non-current assets held for sale

The Group classifies Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met

- Decision has been made to sell;
- The assets are available for immediate sale in its present condition;
- The assets are being actively marketed; and,
- Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.10 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under "Other non-current assets".

Depreciation is provided on a pro-rata basis on the straight-line method based on useful life estimated by the management and supported by independent assessment by professionals. Depreciation commences when the asset is ready for its intended use. The Group has used the following useful lives to provide depreciation on its fixed assets.

Asset Class	Useful life
Freehold land	Non depreciable
Leasehold land	Lease term – 95 years
Buildings (including temporary structures)	1 - 60 years
Plant & Equipment	1 - 20 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either infinite or finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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for the year ended March 31, 2022

Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level (the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit). The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets are amortised on a pro-rata basis on the straight line method based on useful life estimated by the management as under:

Asset Class	Useful life
Software	3 – 6 years
Brand (refer 2.11.1)	20 years
Technical know-how (refer 2.11.1)	20 years
Product development (refer 2.11.2)	20 years

2.11.1 Technical know-how and Brand

Technical know-how: The Group has originally generated technical know-how and assistance from International Tire Engineering Resources LLC, for setting up of Halol radial plant. Considering the life of the underlying plant / facility, this technical know-how, is amortised on a straight-line basis over a period of twenty years.

Brand: The Group has acquired global rights of "CEAT" brand from the Italian tyre maker, Pirelli. Prior to the said acquisition, the Group was the owner of the brand in only a few Asian countries including India. With the acquisition of the brand which is renowned worldwide, new and hitherto unexplored markets will be accessible to the Group. The Group will be in a position to fully exploit the export market resulting in increased volume and better price realisation. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.11.2 Research and development costs (Product development)

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

During the period of development, the asset is tested for impairment annually.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ('qualifying asset') are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

2.13 Leases

The Group has entered into various arrangements like lease of vehicles, premises and outsourcing arrangements which has been disclosed accordingly under Ind AS 116. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A

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contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys the right to control the use of an identified asset depends on whether the Group obtains substantially all the economic benefits from the use of the asset and whether the Group has the right to direct the use of the asset.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.13.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over shorter of the lease term or the estimated useful life of the underlying asset as follows:

Asset Class	Useful life
Building	1 – 11 years
Others	2 – 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Group presents right-of-use assets separately in the Balance Sheet.

2.13.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless the cost is included in the carrying value of inventories) in the period in which the event or

condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in current and non-current financial liabilities. Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to the contracts which have a lease term of 12 months or less from the date of commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to the lease contracts that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a weighted average basis.

- Cost of raw materials includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work-in-progress and finished goods includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing cost.
- Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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2.15 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating unit's ('CGU') fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the CGU and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used

to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16.1 Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to three years. Initial recognition is based on historical experience. The initial estimate of sales related obligations (related costs) is revised annually.

2.16.2 Decommissioning liability

The Group records a provision for decommissioning costs of land taken on lease at one of the manufacturing facility for the production of tyres. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount

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rate applied are added to or deducted from the cost of the asset.

2.16.3 Litigations

The Group is party to various lawsuits that are at administrative or judicial level or in their initial stages, involving tax and civil matters. The Group contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

2.17 Employee benefits

2.17.1 Defined contribution plan

Retirement benefit in the form of Provident Fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme. The Group has no obligation, other than the contribution payable to the above mentioned funds. The Group recognises contribution payable to these funds / schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.17.2 Defined benefit plan

For defined benefit plans, the amount recognized as 'Employee benefit expenses' in the consolidated statement of profit and loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past / future service benefit changes and settlements (such events are recognized immediately in the consolidated statement of profit and loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the consolidated statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized immediately in OCI and subsequently not reclassified to the consolidated statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on

Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

2.17.3 Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the consolidated statement of profit and loss. The Group recognises termination benefits at the earlier of the following dates:

- When the Group can no longer withdraw the offer of those benefits; or
- When the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.18.1 Financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument.

2.18.1.1 Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

2.18.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 2.18.1.2.1 Debt instruments at amortised cost
- 2.18.1.2.2 Debt instruments at Fair Value Through Other Comprehensive Income ('FVTOCI')
- 2.18.1.2.3 Debt instruments, derivatives and equity instruments at Fair Value Through Profit and Loss ('FVTPL')

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2.18.1.2.4 Equity instruments measured at FVTOCI

2.18.1.2.1 Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

2.18.1.2.2 Debt instrument at FVTOCI

A debt instrument is classified as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.18.1.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not

designated any debt instrument as FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

2.18.1.2.4 Equity investments

All investments in equity instruments within the scope of Ind AS 109 are initially measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated statement of profit and loss, even on derecognition of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

2.18.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.18.1.4 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables
- Financial assets measured at amortised cost (other than trade receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets [i.e. (ii) and (iii) above] and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to

use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates and changes in the forward-looking estimates are updated. For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

The Balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

The Group does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase / origination.

2.18.2 Financial liabilities

2.18.2.1 Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of borrowings net of directly attributable transaction costs.

2.18.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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2.18.2.2.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The Group has not designated any financial liability as at FVTPL.

2.18.2.2.2 Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

2.18.2.2.3 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the

specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

2.18.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

2.18.3 Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in the consolidated statement of profit and loss.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

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Original classification	Revised classification	Accounting treatment
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to the consolidated statement of profit and loss at the reclassification date.

2.18.4 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss.

2.18.4.1 Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the consolidated statement of profit and loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated statement of profit and loss.

2.18.4.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss.

Amounts recognised as OCI are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit and loss, i.e. when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.18.5 Fair value measurement

The Group measures derivatives instruments like forward contracts at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18.6 Offsetting of financial instruments

Financial assets and financial liabilities can be offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.19 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprises cash at banks and on hand.

2.20 Dividend distribution to equity shareholders

The Group recognises a liability to pay dividend to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

2.21 Foreign currencies

The Group's financial statements are presented in ₹, which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at ₹ spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or the consolidated statement of profit and loss, respectively).

2.22 Earnings Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Executive Management Committee evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

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2.24 Contingent liability and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements. Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.25 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations – Note 42
- Measurement and likelihood of occurrence of provisions and contingencies – Note 22
- Recognition of current tax and deferred tax assets – Note 23
- Key assumptions used in fair valuations – Note 48
- Measurement of lease liabilities and right-of-use asset – Note 4
- Estimation of uncertainties relating to the global health pandemic from COVID-19 – Note 51

2.26 Amendments to Schedule III of Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its consolidated financial statements. These amendments are applicable to the Group for the financial year starting April 01, 2021 and applied to the Financial Statements:

- Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Additional disclosure for shareholding of promoters.
- Additional disclosure for ageing schedule of trade receivables, trade payables and capital work-in-progress.
- Specific disclosure on approved schemes of arrangements.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

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for the year ended March 31, 2022

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.10 for accounting policy on Property, plant and equipment

Particulars	Freehold land	Leasehold land (Financial lease)	Buildings	Plant and Equipments (Owned)	Furniture and Fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount									
As at April 01, 2020	48,524	10,903	63,024	3,43,701	2,115	788	1,545	1,05,073	5,75,673
Additions	-	79	9,135	76,181	378	12	324	57,822	1,43,931
Disposals	-	-	-	(218)	(3)	(30)	(6)	-	(257)
Capitalised	-	-	-	-	-	-	-	(86,109)	(86,109)
Foreign Exchange Adjustment	-	-	-	1	-	-	-	-	1
As at March 31, 2021	48,524	10,982	72,159	4,19,665	2,490	770	1,863	76,786	6,33,239
Additions	-	15	9,630	77,745	336	56	511	94,434	1,82,727
Disposals	-	-	(8)	(2,029)	(0)	(20)	(4)	-	(2,061)
Capitalised	-	-	-	-	-	-	-	(88,293)	(88,293)
As at March 31, 2022	48,524	10,997	81,781	4,95,381	2,826	806	2,370	82,927	7,25,612
Accumulated Depreciation:									
As at April 01, 2020	-	647	6,290	66,053	725	465	644	-	74,824
Depreciation for the year	-	139	1,993	23,328	230	85	286	-	26,061
Disposals	-	-	-	(105)	(2)	(26)	(6)	-	(139)
Foreign Exchange Adjustment	-	-	-	1	1	-	-	-	2
As at March 31, 2021	-	786	8,283	89,277	954	524	924	-	1,00,748
Depreciation for the year	-	133	2,387	28,507	246	75	302	-	31,650
Disposals	-	-	(6)	(1,413)	(0)	(19)	(4)	-	(1,442)
As at March 31, 2022	-	919	10,664	1,16,371	1,200	580	1,222	-	1,30,956
Net Book Value:									
As at March 31, 2021	48,524	10,196	63,876	3,30,388	1,536	246	939	76,786	5,32,491
As at March 31, 2022	48,524	10,078	71,117	3,79,010	1,626	226	1,148	82,927	5,94,656

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for the year ended March 31, 2022

Note 3: Property, plant and equipment and Capital work-in-progress (Contd..)

Net book value

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	5,11,729	4,55,705
Capital work in progress	82,927	76,786

Notes:

- During the year, the Group has transferred the following expenses which are attributable to the construction activity and are included in the cost of capital work-in-progress / property, plant and equipment as the case may be. Consequently, expenses disclosed under the respective notes are net of such amounts.

Particulars	Note	(₹ in Lacs)	
		2021-22	2020-21
Finance Cost	33	1,790	2,924
Professional and consultancy charges	35	140	290
Miscellaneous expenses	35	235	693
Employee benefit expenses	32	1,234	1,125
Travelling and Conveyance	35	104	104
Total		3,503	5,136

- As a part of ongoing expansion project at Halol (Phase III), during the year the Group has capitalised and commissioned assets of ₹ 8,170 Lacs (March 31, 2021: ₹ 15,874 Lacs).
- As a part of ongoing expansion project at Nagpur, during the year the Group has capitalised and commissioned assets of ₹ 5,437 Lacs (March 31, 2021: ₹ 12,705 Lacs).
- As a part of ongoing green field project at Chennai, during the year the Group has capitalised and commissioned assets of ₹ 40,165 Lacs (March 31, 2021: ₹ 39,434 Lacs).
- As a part of ongoing expansion project at Ambarnath (Phase II), during the year the Group has capitalised and commissioned of ₹ 11,625 Lacs (March 31, 2021: ₹ 9,054 Lacs).
- The amount of borrowing cost capitalised during the year ended March 31, 2022 is ₹ 1,790 Lacs (March 31, 2021: ₹ 2,924 Lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 6.50% to 7.25% (March 31, 2021: 6.55% to 8.40%) which is the effective interest rate of specific borrowings.
- Refer note 20 and 24 for details on pledges and securities.
- There are no subsidiaries in the Group having more than 10% of the total capital work-in-progress. Hence capital work-in-progress aging has not been provided for the consolidated financial statements.

Note 4: Leases

Refer note 2.13 for accounting policy on Leases

Note 4(a): Right-of-use assets

Particulars	As at March 31, 2022			As at March 31, 2021		
	Building	Others *	Total	Building	Others *	Total
Opening net carrying balance	788	9,995	10,783	916	9,269	10,185
Additions during the year	10,091	-	10,091	434	4,986	5,420
Depreciation (refer note 34)	(4,354)	(4,141)	(8,495)	(562)	(4,260)	(4,822)
Total	6,525	5,854	12,379	788	9,995	10,783

* Right-of-use assets are arising out of outsourcing arrangements which consists of buildings and plant & machinery. These are used for the production and distribution of goods and generation of power under such arrangements.

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Note 4: Leases (Contd..)

Note 4(b): Lease liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net carrying balance	11,497	10,601
Additions	10,091	5,420
Accretion of interest (refer note 33)	1,331	1,102
Payments	(9,710)	(5,626)
Total	13,209	11,497

Notes:

- The rate used for discounting is in range of 7 - 9%.
- Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to lease liabilities.
- Significant Judgements in determining the lease term of contracts with renewal and termination options:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of buildings and other with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on the operations if a replacement asset is not readily available. The renewal periods for leases of building and others with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current lease liabilities	8,047	6,690
Current lease liabilities	5,162	4,807

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 5: Intangible assets and intangible assets under development

Refer note 2.11 for accounting policy on Intangible assets

(₹ in Lacs)

Particulars	Software	Brand	Technical Know-how	Product development	Total
Gross carrying amount					
As at April 01, 2020	9,373	4,404	704	2,682	17,163
Additions	2,010	-	-	907	2,917
Foreign Exchange Adjustment	1	-	-	-	1
As at March 31, 2021	11,384	4,404	704	3,589	20,081
Additions	2,131	-	-	199	2,330
Foreign Exchange Adjustment	1	-	-	-	1
As at March 31, 2022	13,516	4,404	704	3,788	22,412
Accumulated amortization					
As at April 01, 2020	3,882	1,348	209	1,706	7,145
Amortization for the year	2,295	289	45	451	3,080
Foreign Exchange Adjustment	1	-	-	-	1
As at March 31, 2021	6,178	1,637	254	2,157	10,226
Amortization for the year	2,524	289	45	517	3,375
Foreign Exchange Adjustment	1	-	-	-	1
As at March 31, 2022	8,703	1,926	299	2,674	13,602
Net Book Value:					
As at March 31, 2021	5,206	2,767	450	1,432	9,855
As at March 31, 2022	4,813	2,478	405	1,114	8,810

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets	8,810	9,855
Intangible assets under development	4,661	2,500

Note 6: Investments accounted using equity method

Refer note 2.4 for accounting policy on Investments in subsidiaries and associates

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Joint venture (refer note 40)		
CEAT Kelani Holding Company (Pvt.) Limited	15,608	19,263
Investment in Associates (refer note 41)		
TYRESNMORE Online Pvt Ltd	986	831
Greenzest Solar Private Limited	508	513
Total	17,102	20,607

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for the year ended March 31, 2022

Note 7: Investments

Refer note 2.18 for accounting policy on Financial instruments

Particulars	Face Value	(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
Unquoted investment in others (at fair value through profit and loss)			
16,95,000 (March 31, 2021: 9,75,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	3	2
National Saving Certificates VIII issue (refer foot note a)		0	0
7,129 (March 31, 2021: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	412	399
10 (March 31, 2021: 10) equity shares of E-Fleet Systems Private Limited	₹ 10	1	1
1,000 (March 31, 2021: 1,000) shares in Rado Employees Cooperative Society	₹ 10	0	0
Investment in Others (at fair value through other comprehensive income)			
Cleanwin Energy Five LLP		60	-
33,70,208 (March 31, 2021: Nil) equity shares of TP Akkalkot Renewable Limited	₹ 10	337	-
Total		813	402

Notes:

- Pledged as security for sales tax purpose.
- Refer note 47 for information about fair value measurement.

Note 8: Other financial assets

Refer note 2.18 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current (at amortised cost)		
Secured, considered good		
Security deposits	988	876
Security deposits (related parties) (refer note 44)	100	100
Unsecured, considered good		
Margin money deposits (refer foot note a)	99	142
Unsecured, considered doubtful		
Security deposits	98	89
Less : Allowance made for doubtful deposits	(98)	(89)
Total	1,187	1,118

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Note 8: Other financial assets (Contd..)

Notes:

- The margin money deposits are for bank guarantees given to statutory authorities.
- Refer note 47 for information about fair value measurement.

Note 9: Other non-current assets

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances (others)	4,258	3,592
Capital advances (related parties) (refer note 44)	-	129
Security deposits with statutory authorities	2,065	1,927
Unsecured, considered doubtful		
Balance with government authorities and agencies	192	192
Less : Allowance made for doubtful balances	(192)	(192)
Total	6,323	5,648

Note 10: Inventories

Refer note 2.14 for accounting policy on Inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
a) Raw materials	55,791	52,040
Goods in transit	2,364	6,659
	58,155	58,699
Less: Provision for unusable raw materials [refer note 36(c)]	-	(200)
	58,155	58,499
b) Work-in-progress	7,885	6,708
Less: Provision for unusable work-in-progress materials [refer note 36(c)]	-	(28)
	7,885	6,680
c) Finished goods	60,362	43,239
d) Stock-in-trade	975	317
Goods in transit	1,503	1,662
	2,478	1,979
e) Stores and spares	2,035	2,594
Goods in transit	41	-
	2,076	2,594
Total	1,30,956	1,12,991
Details of finished goods		
Automotive tyres	52,936	36,555
Tubes and others	7,426	6,684
Total	60,362	43,239

Notes:

- During the financial year 2021-22, ₹ 2,506 Lacs (March 31, 2021: ₹ 1,611 Lacs) was charged to the consolidated statement of profit and loss on account of slow moving stock as per the Group's policy.
- Refer note 24 for details on pledges and securities.

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Note 11: Trade receivables

Refer note 2.18 for accounting policy on financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables from others	1,13,045	91,561
Trade receivables from related parties (refer note 44)	2,387	595
Total	1,15,432	92,156

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Break-up for security details		
Secured, considered good (refer foot note a)	36,177	35,396
Unsecured, considered good	79,211	56,749
Trade Receivables which have significant increase in credit risk	88	21
Trade Receivables - credit impaired	1,318	1,598
	1,16,794	93,764
Less: Allowance for doubtful debts	(1,362)	(1,608)
Total	1,15,432	92,156

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,608	2,231
Change in allowance for doubtful debts	(227)	(2)
Trade receivables written off during the year	(19)	(621)
Balance as at the end of the year	1,362	1,608

Notes:

- These receivables are secured to the extent of security deposit obtained from the dealers.
- No trade receivable are due from directors or other officers of the holding company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclosed in note 44.
- For terms and conditions with related parties, refer note 44.
- Trade receivables are non-interest bearing within the credit period which is generally 27 to 60 days.
- Refer note 49(b) for information about credit risk relating to trade receivables
- Refer note 24 for details on pledges and securities.
- Ageing for trade receivables outstanding as at March 31, 2022 and March 31, 2021 is as follows:

Ageing as at March 31, 2022	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,08,749	6,639	-	-	-	-	1,15,388
Undisputed Trade Receivables – which have significant increase in credit risk *	-	-	88	-	-	-	88
Undisputed Trade Receivables – credit impaired #	-	-	-	72	14	337	423
Disputed Trade receivables – credit impaired #	-	-	-	69	62	764	895
Total	1,08,749	6,639	88	141	76	1,101	1,16,794

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for the year ended March 31, 2022

Note 11: Trade receivables (Contd..)

Ageing as at March 31, 2021	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	More than 1 year	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	89,465	2,647	33	-	-	-	92,145
Undisputed Trade Receivables – which have significant increase in credit risk *	-	-	21	-	-	-	21
Undisputed Trade receivable – credit impaired #	-	-	-	64	30	541	635
Disputed Trade receivables – credit impaired #	-	-	32	209	111	611	963
Total	89,465	2,647	86	273	141	1,152	93,764

* Provision is created at 50% for significant credit risk balances.

Provision is created for the credit impaired balances.

Note 12: Cash and cash equivalents

Refer note 2.19 for accounting policy on Cash and cash equivalents

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
On current accounts	1,525	2,228
On remittance in transit	847	800
Cash on hand	5	6
Deposits with original maturity of less than 3 months	-	575
Cash and cash equivalents as per statement of cash flow	2,377	3,609

Changes in liabilities arising from financing activities

Particulars	(₹ in Lacs)	
	Current borrowings	Non current borrowings *
As at April 01, 2020	23,645	1,69,259
Cash Flows	(21,545)	(29,604)
As at March 31, 2021	2,100	1,39,655
Cash Flows	21,852	46,071
As at March 31, 2022	23,952	1,85,726

* includes current maturities of non-current borrowings.

Note 13: Bank balances other than cash and cash equivalents

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Deposits with maturity of more than 3 months but remaining maturity of less than 12 months	887	108
Balances held for unclaimed public fixed deposits and interest thereon (refer foot note a)	36	85
Balances held for unclaimed dividend accounts (refer foot note b)	331	510
Total	1,254	703

Notes:

- These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes ₹ 0.20 Lacs (March 31, 2021: ₹ 0.20 Lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Group to hold.
- These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.03 Lacs (March 31, 2021: ₹ 1.60 Lacs) outstanding for a period exceeding seven years retained in accordance with the provisions of Section Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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Note 14: Other financial assets

Refer note 2.18 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
At amortised cost		
Advance receivable in cash	396	294
Other receivables	4,995	3,578
Interest receivable	2	3
Receivable from related party (refer note 44)	545	290
Unsecured, considered doubtful:		
Loans advances and deposits	-	104
Less: Allowance for doubtful advances and deposits	-	(104)
Total	5,938	4,165

Note:

a) Refer note 47 for information about fair value measurement.

Note 15: Other current assets

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance receivable in kind or for value to be received	593	3,043
Balance with government authorities	4,894	5,864
Advance to employees	30	51
Prepaid expense	2,602	1,360
Unsecured considered doubtful		
Advance receivable in kind or for value to be received	99	134
Less: Allowance for advance receivable in kind or for value to be received	(99)	(134)
Total	8,119	10,318

Note 16: Assets held-for-sale

Refer note 2.9 for accounting policy on Assets held-for-sale

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Free hold land and building (refer foot note a)	92	92
Plant and equipment (refer foot note a)	-	1
Total	92	93

Note:

a) During the previous years, the wholly owned subsidiary - RADO Tyres limited ("RADO") had received the order from Labour & Skills (A) Department, Government of Kerala, granting permission under the Industrial Dispute Act, 1947 to close the Factory located at Nellikuzhi, near Kothamangalam. In the opinion of the management there were no further business opportunities for RADO to explore.

On the basis of the above the Board of directors of RADO has decided that the most appropriate course of action for RADO is to sell its assets such as plant and machinery, equipment, spares and other assets located at its factory near Kothamangalam.

Given these circumstances, RADO's Board has considered prudent to reclassify the above assets to the head assets held for sale.

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Note 17: Equity share capital

Authorised share capital	Equity shares		Preference Shares		Unclassified Shares	
	Numbers	₹ in Lacs	Numbers	₹ in Lacs	Numbers	₹ in Lacs
As at April 01, 2020	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
As at March 31, 2021	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
As at March 31, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000

Issued share capital

Equity shares of ₹ 10 each issued	Numbers	(₹ in Lacs)
At April 01, 2020 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2021 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2022 (refer foot note a)	4,04,50,780	4,045

Subscribed and Paid-up share capital

Equity shares of ₹ 10 each subscribed and fully paid	Numbers	(₹ in Lacs)
At April 01, 2020 (refer note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2021 (refer note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2022 (refer note a)	4,04,50,092	4,045

a) Includes 688 (March 31, 2021: 688) equity shares offered on right basis and kept in abeyance.

b) Terms/ rights attached to equity shares

The holding company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. Dividend is recommended by the Board of Directors and is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. The Board of Directors have a right to deduct from the dividend payable to any member, any sum due from him to the Company.

In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The shareholders have all other rights as available to equity shareholders as per the provision of the Companies Act, applicable in India read together with the Memorandum of Association and Articles of Association of the Group, as applicable.

c) Details of shareholders holding more than 5% shares in the group

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,15,259	29.46%	1,18,53,559	29.30%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Amansa Holdings Pvt Limited	37,07,695	9.17%	37,59,934	9.30%
Mirae Asset Emerging Bluechip Fund	26,06,341	6.44%	25,96,588	6.42%

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Note 17: Equity share capital (Contd..)

- d) As per the records of the Company as at March 31, 2022, no calls remain unpaid by the directors and officers of the Company.
- e) The Company has not issued any equity shares as bonus for consideration other than cash and has not bought back any shares during the period of 5 years immediately preceeding March 31, 2022.
- f) Details of shares held by promoter are as follows:

S. No.	Promoter Name	No. of shares as at April 01, 2021	Change during the year	No. of shares as at March 31, 2022	% of Total Shares	% change during the year
(₹ in Lacs)						
Promoter						
1	Anant Vardhan Goenka	14,185	-	14,185	0.04%	0.00%
2	Harsh Vardhan Goenka	1,33,934	-	1,33,934	0.33%	0.00%
Subtotal (A)		1,48,119	-	1,48,119	0.37%	0.00%
Promoter Group						
3	Radha Anant Goenka	10	-	10	0.00%	0.00%
4	Mala Goenka	10	-	10	0.00%	0.00%
5	Instant Holdings Limited	1,18,53,559	61,700	1,19,15,259	29.46%	0.52%
6	Swallow Associates LLP	44,84,624	-	44,84,624	11.09%	0.00%
7	Stel Holdings Limited	14,16,757	54,000	14,70,757	3.64%	3.81%
8	Summit Securities Ltd	10,36,248	-	10,36,248	2.56%	0.00%
9	Chattarpati Apartments LLP	876	-	876	0.00%	0.00%
10	Ektara Enterprises LLP	10	-	10	0.00%	0.00%
11	Vayu Udaan Aircraft LLP	10	-	10	0.00%	0.00%
12	Sofreal Mercantrade Pvt Ltd	10	-	10	0.00%	0.00%
13	Malabar Coastal Holdings LLP	10	-	10	0.00%	0.00%
14	Atlantus Dwellings And Infrastructure LLP	10	-	10	0.00%	0.00%
15	Sudarshan Electronics And Tv Ltd	1	-	1	0.00%	0.00%
16	Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
17	Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
18	Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
19	Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	-	1	0.00%	0.00%
20	AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
21	RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 17: Equity share capital (Contd..)

S. No.	Promoter Name	No. of shares as at April 01, 2021	Change during the year	No. of shares as at March 31, 2022	% of Total Shares	% change during the year
(₹ in Lacs)						
22	Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
23	Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	-	10	0.00%	0.00%
Subtotal (b)		1,87,92,179	1,15,700	1,89,07,879	46.74%	0.62%
Total		1,89,40,298	1,15,700	1,90,55,998	47.11%	0.61%

Note 18: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(₹ in Lacs)		
Securities premium (refer note a)	56,703	56,703
Capital reserve (refer note b)	1,420	1,405
Capital redemption reserve (refer note c)	390	390
Cash flow hedge reserve (refer note d)	(755)	(713)
Foreign currency translation reserve (refer note e)	(6,700)	(2,131)
General reserve (refer note f)	25,166	25,166
Retained earnings (refer note g)	2,47,012	2,46,764
Total other equity	3,23,236	3,27,584

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

b) Capital reserve

Capital reserve includes profit on amalgamation of entities and on account of consolidation of the Company's Bangladesh Subsidiary, CEAT AKKHAN Limited, in 2013-14.

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during financial year 1998-99.

d) Cash flow hedge reserve

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

e) Foreign currency translation reserve

It represents aggregate exchange difference arising on consolidation of the foreign subsidiaries. For the purpose of consolidation, the balance sheet items are translated at closing exchange rate as at the balance sheet date and revenue items are translated at average exchange rate as at the date of transaction, including the difference of rupee and subsidiaries reporting currency is accumulated to foreign currency translation reserve.

f) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the consolidated statement of profit and loss.

g) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to reserves, dividends or other distributions paid to shareholders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 19: Distribution made and proposed

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2021: 18 per share (March 31, 2021: Nil per share for the year ended on March 31, 2020)	7,281	-
Total	7,281	-

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares		
Proposed dividend for the year ended on March 31, 2022: ₹ 3 per share (March 31, 2021: 18 per share)	1,214	7,281
Total	1,214	7,281

Proposed dividends on equity shares which are subject to approval at the Annual General Meeting are not recognised as a liability in the year in which it is proposed.

The Company declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax. Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

Note 20: Borrowings

(at amortised cost)

Refer note 2.18 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)			
	Non-current		Current maturities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	25,000	25,000	-	-
ii) Term loans				
Indian rupee loan from banks *				
Citibank N.A. (refer foot note 2)	10,750	17,200	6,450	4,300
Kotak Mahindra Bank (refer foot note 3)	26,233	29,228	2,998	749
Bank of Baroda (refer foot note 4)	57,086	32,636	3,005	-
State Bank of India (refer foot note 5)	33,736	28,427	855	-
II. Unsecured				
i) Term loans				
Indian rupee loan from banks *				
Axis Bank (refer foot note 6)	3,000	-	-	-
HSBC Bank (refer foot note 7)	15,000	-	-	-
ii) Public deposits (refer foot note 8)	0	0	-	-
iii) Deferred sales tax incentive (refer foot note 9)	1,111	1,613	502	502
	1,71,916	1,34,104	13,810	5,551
Less: amount classified under current borrowings (refer note 24)	-	-	(13,810)	(5,551)
Total	1,71,916	1,34,104	-	-

* Indian rupee loan from banks carries floating interest rate ranging from 4.75% p.a. to 7.25% p.a. as at March 31, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Notes:

1) Non-Convertible Debentures ("NCD") ₹ 25,000 Lacs as on March 31, 2022 (March 31, 2021: ₹ 25,000 Lacs) on October 07, 2020 (NCD Series 1) and October 13, 2020 (NCD Series 2) on private placement basis are secured by way of first charge over movable and immovable fixed assets located at Ambarnath plant. As at March 31, 2022, the NCDs carry an interest at 6.40% p.a. (NCD Series 1) and 7.00% p.a. (NCD Series 2) and is repayable as under:

- NCD Series 1: ₹ 15,000 Lacs (60% of the issue amount) repayable on October 06, 2023.
- NCD Series 2: ₹ 10,000 Lacs (40% of the issue amount) repayable on October 13, 2025.

2) Term loan from Citibank N.A. ₹ 10,750 Lacs as on March 31, 2022 (March 31, 2021: ₹ 21,500 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
2021 - 22	20.00%	To be repaid in 3 annual instalment at the end of 3 rd , 4 th & 5 th year
2022 - 23	30.00%	
2023 - 24	50.00%	

3) Term loan from Kotak Mahindra Bank Limited ₹ 29,250 Lacs as on March 31, 2022 (March 31, 2021: ₹ 30,000 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets (excluding current assets) situated at Halol, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
2021 - 22	2.50%	To be repaid in 28 structured quarterly instalment commencing (March 2022)
2022 - 23	10.00%	
2023 - 24	11.50%	
2024 - 25	16.00%	
2025 - 26	16.00%	
2026 - 27	16.00%	
2027 - 28	16.00%	
2028 - 29	12.00%	

4) Term Loan from Bank of Baroda ₹ 60,212 Lacs as on March 31, 2022 (March 31, 2021: ₹ 32,775 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets (excluding current assets) situated at Halol, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	5.00%	To be repaid in 28 structured quarterly instalment commencing (June 2022)
2023 - 24	5.00%	
2024 - 25	15.00%	
2025 - 26	15.00%	
2026 - 27	20.00%	
2027 - 28	20.00%	
2028 - 29	20.00%	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 20: Borrowings (Contd..)

- 5) Term Loan from State Bank of India ₹ 34,882 Lacs as on March 31, 2022 (March 31, 2021: ₹ 28,746 Lacs) is secured by first pari passu charge over the immovable and movable fixed assets (excluding current assets) situated at Halol, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	2.50%	To be repaid in 28 structured quarterly instalments commencing (Dec 2022)
2023 - 24	5.00%	
2024 - 25	10.00%	
2025 - 26	15.00%	
2026 - 27	17.50%	
2027 - 28	20.00%	
2028 - 29	20.00%	
2029 - 30	10.00%	

- 6) Term Loan from Axis Bank Ltd ₹ 3,000 Lacs as on March 31, 2022 (March 31, 2021: Nil) is an un-secured loan. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be repaid in 2 equal instalments at the end of 30 th and 36 th month commencing from Drawdown (July 2024)

- 7) Term Loan from HSBC Bank Ltd ₹ 15,000 Lacs as on March 31, 2022 (March 31, 2021: Nil) is an un-secured loan. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be re-paid in one bullet installment in Sept 2025

- 8) Public deposits ₹ 0.20 Lacs (March 31, 2021: ₹ 0.20 Lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Group to hold.
- 9) Interest-free deferred sales tax is repayable in ten equal annual instalment commencing from April 26, 2011 and ending on April 30, 2025.
- 10) Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.
- 11) Refer note 47 of information about fair value measurement and note 49(c) for information about liquidity risk relating to borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 21: Other financial liabilities

Refer note 2.18 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current		
At fair value through other comprehensive income		
Derivative financial instrument	80	47
At amortised cost		
Deposits	93	136
Payable to capital vendors (refer note b)	3,990	1,083
Total other financial liabilities	4,163	1,266

Notes:

- a) Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to other financial liabilities.
- b) These pertain to payable to capital vendors based on deferred payment terms.

Note 22: Provisions

Refer note 2.16 for accounting policy on Provisions

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non-current provisions		
Provision for sales related obligations (refer note a)	730	804
Provision for compensated absences (refer foot note b)	3,344	3,640
Provision for decommissioning liability (refer note c)	94	85
	4,168	4,529
Current provisions		
Provision for sales related obligations (refer note a)	8,503	6,512
Provision for gratuity [refer note 42(b)]	1,097	700
Provision for compensated absences (refer foot note b)	636	631
Provision for litigations (refer foot note d)	2,397	3,042
	12,633	10,885

a) Provision for Sales related obligations

A provision is recognized for expected sales related obligation on product sold during the last three years, based on past experience of the level of returns and cost of claim. It is expected that significant portion of these costs will be incurred in the next financial year and within three years from the reporting date. Assumptions used to calculate the provision for sales related obligation were based on current sales levels and current information available about returns based on the three years period for all products sold. The rate used for discounting provision for sales related obligation is 11.50%. The table below gives information about movement in provision for sales related obligation.

Movement in provision for sales related obligations		(₹ in Lacs)
As at April 01, 2020		5,643
Additions during the year		8,076
Utilised during the year		(6,403)
As at March 31, 2021		7,316
Additions during the year		11,373
Utilised during the year		(9,456)
As at March 31, 2022		9,233

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 22: Provisions (Contd..)

b) Compensated absences

Employee leaves are encashed as per the Group's leave encashment policy. A provision has been recognised for leave encashment liability based on the actuarial valuation of leave balance of employees as at year end.

Movement in provision for compensated absences	(₹ in Lacs)
As at April 01, 2020	3,593
Additions during the year	1,254
Utilised during the year	(576)
As at March 31, 2021	4,271
Additions during the year	254
Utilised during the year	(545)
As at March 31, 2022	3,980

c) Provision for decommissioning liability

The Group has recognized a provision for decommissioning obligations associated with a land taken on lease at Nashik manufacturing facility for the production of tyres. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The Group estimates that the costs would be realised in year 2066 at the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions:

- Estimated range of cost per square meter: ₹ 45 – ₹ 50
- Discount rate – 11.50%

Movement in provision for decommissioning liability	(₹ in Lacs)
As at April 01, 2020	76
Additions during the year	9
As at March 31, 2021	85
Additions during the year	9
As at March 31, 2022	94

d) Provision for litigations

Movement in provision for indirect tax and labour matters	(₹ in Lacs)
As at April 01, 2020	4,507
Additions during the year	179
Utilised during the year	(1,644)
As at March 31, 2021	3,042
Additions during the year	16
Utilised during the year	(661)
As at March 31, 2022	2,397

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 23: Income tax and deferred taxes

Refer note 2.8 for accounting policy on Taxes

Consolidated Balance Sheet

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Non current tax assets (net)		
Advance payment of tax (net of provision)	5,855	5,650
Current tax liabilities (net)		
Provision for income tax (net of advance tax)	1,969	4,963
Deferred tax liabilities (net)	31,769	28,000
Deferred tax assets (net) (refer foot note a)	80	69

Consolidated statement of profit and loss

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Current tax	(1,197)	4,184
Deferred tax	3,627	975
Income tax expense reported in the consolidated statement of profit and loss (refer foot note c)	2,430	5,159

Other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the year:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Income tax effect on actuarial losses for gratuity	(141)	(97)
Income tax effect on movement in cash flow hedges	14	516
Income tax (expense) / income charged to OCI	(127)	419

Reconciliation of Effective Tax Rate

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Accounting profit before tax	9,488	48,389
Income tax rate of 25.17% (March 31, 2021: 25.17%)	2,388	12,180
Rate reduction, reversal of temporary differences, provision for tax of earlier years and merger impact (refer foot note c)	(15)	(7,008)
Income taxable at special rates	-	(140)
Impact of share of profit from joint venture and associates	(724)	(914)
Effect of undistributed earnings of subsidiaries	(497)	116
Difference in tax rates for certain entities of the group	479	384
Others	461	230
Non-deductible expenses for tax purposes:		
Depreciation on revaluation	101	101
Corporate social responsibility (CSR) Expenses	202	198
Other non-deductible expenses	35	12
At the effective income tax rate of 25.61% (March 31, 2021: 10.66%)	2,430	5,159

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 23: Income tax and deferred taxes (Contd..)

Deferred tax

Deferred tax relates to the following

Particulars	Balance sheet		Profit and loss	
	As at	As at	2021-22	2020-21
	March 31, 2022	March 31, 2021		
Accelerated depreciation for tax purposes	(38,133)	(33,581)	4,552	(13,543)
DTA on brought forward losses	-	-	-	3,096
MAT Credit entitlement	-	-	-	8,037
Voluntary Retirement Scheme (VRS)	860	1,082	222	557
Allowance for doubtful debts/advances	454	767	313	960
Carry forward of business loss	2,338	-	(2,338)	-
Undistributed profit of Subsidiary	(1,071)	(1,568)	(497)	(408)
Others	3,863	5,369	1,375	2,276
Deferred tax expense / (income)			3,627	975
Net deferred tax assets / (liabilities)	(31,689)	(27,931)		

Reflected in the Balance Sheet as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred tax assets	7,515	7,218
Deferred tax liability	(39,204)	(35,149)
Deferred tax liability (net)	(31,689)	(27,931)

Reconciliation of deferred tax liabilities (net)

Particulars	As at	
	2021-22	2020-21
Opening balance as of April 01	(27,931)	(27,371)
Tax (expense) / income recognised in the Statement of Profit and Loss	(3,627)	(975)
Tax (expense) / income recognised in Other Comprehensive Income	(127)	419
Others	(4)	(4)
Closing balance as at March 31	(31,689)	(27,931)

Notes:

- This figure includes deferred tax asset of ₹ 80 Lacs (March 31, 2021: ₹ 69 Lacs) of CEAT Akkhan limited.
- The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities as well as deferred tax assets and liabilities related to income taxes levied by the same tax authority.
- The current and deferred tax for the year ended March 31, 2021 includes the impact on tax expenses consequent to the amalgamation with the wholly owned subsidiary. Refer note 53.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 24: Borrowings

Refer note 2.18 for accounting policy on Financial instruments

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	3,314	1,540
Export packing credit from banks (refer foot note a)	4,500	-
Buyer's credit from banks (refer foot note a)	538	561
Working capital demand loan (refer foot note a)	5,600	-
Current maturities of long-term borrowings (refer note 20)	13,810	5,551
Unsecured		
Commercial paper (refer foot note b)	10,000	-
Total	37,762	7,652

Notes:

- Cash credit facilities, export packing credit facilities and working capital demand loan from banks is part of working capital facilities availed from consortium of banks secured by way of first pari passu charge on the current assets of the Group carrying interest in the range of 4.50% p.a. to 9.70% p.a. In case of foreign subsidiaries, the short-term borrowings carry interest in the range of 8.00% to 8.70% p.a (March 31, 2021: 8.00% to 12.00% p.a).
- The Group had issued commercial papers (total available limit ₹ 50,000 Lacs) at regular intervals for working capital purposes with interest ranging from 3.48% p.a. to 3.98% p.a.
- Refer note 49(c) for information about liquidity risk relating to borrowings.
- Quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

Note 25: Trade payables

Refer note 2.18 for accounting policy on Financial instruments

Particulars	As at	
	March 31, 2022	March 31, 2021
Dues to micro and small enterprises (refer note a)		
Overdue	37	641
Not due	8,007	8,449
Other trade payables	2,07,539	1,74,263
Trade payables to related parties (refer note 44)	175	593
Total	2,15,758	1,83,946

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 25: Trade payables (Contd..)

Notes:

- a) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) are given as follows *:

Particulars	As at	
	March 31, 2022	March 31, 2021
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	8,043	9,084
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	1	6
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	6	2
iv) The amount of interest due and payable for the year	1	6
v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

* The information disclosed above is to the extent available with the Group.

- b) Trade payables are normally settled on 30 to 180 days.
 c) Refer note 49(c) for information about liquidity risk relating to trade payables.
 d) Ageing for trade payable outstanding as at March 31, 2022 and March 31, 2021 is as follows:

Ageing as at March 31, 2022	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	7,845	187	12	-	-	-	8,044
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,56,384	50,828	210	-	-	264	2,07,686
Disputed dues of creditors other than micro enterprises and small enterprises	-	13	-	2	-	13	28
Total	1,64,229	51,028	222	2	-	277	2,15,758

Ageing as at March 31, 2021	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	7,637	1,381	47	7	8	10	9,090
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,14,338	60,291	-	-	151	62	1,74,842
Disputed dues of creditors other than micro enterprises and small enterprises	-	2	-	-	8	4	14
Total	1,21,975	61,674	47	7	167	76	1,83,946

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 26: Other financial liabilities

Refer note 2.18 for accounting policy on Financial instruments

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
At fair value through other comprehensive income		
Derivative financial instrument	1,562	1,494
At amortised cost		
Employee related liability	9,056	10,831
Interest accrued but not due on borrowings	1,347	1,307
Interest accrued but not due on Security deposit	18	28
Unpaid dividends (refer foot note a)	331	510
Unpaid matured deposits and interest accrued thereon (refer foot note a)	33	80
Payable to capital vendors (others)	25,701	24,627
Payable to capital vendors (Related parties) (refer note 44)	356	-
Deposits from dealers and Others	43,059	42,507
Others	1	-
Total	81,464	81,384

Notes:

- a) Refer foot note a) and b) below note 13: Bank balances other than cash and cash equivalents.
 b) Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to other financial liabilities.

Note 27: Other current liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Statutory dues	10,047	9,373
Advance received from customers *	1,541	1,606
Total	11,588	10,979

* Represents contract liabilities

Note 28: Revenue from operations

Refer note 2.6 for accounting policy on Revenue recognition and 2.7 for Government grants, subsidies and export incentives

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	As at	
	2021-22	2020-21
Revenue recognised at the point of time		
Automotive Tyres	8,44,625	6,79,976
Tubes and others	68,497	72,706
Sale of scrap	5,364	4,257
Other revenues	542	409
Revenue recognised over the period of time		
Royalty income (refer note 44)	681	502
Total revenue from contracts with customers	9,19,709	7,57,850
Other operating income		
Government grants (refer foot note d)	16,632	3,110
Revenue from operations	9,36,341	7,60,960

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 28: Revenue from operations (Contd..)

Notes:

a) Revenue disaggregation basis geography has been included in segment information (refer note 45).

b) Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables (refer note 11)	1,15,432	92,156
Contract liabilities (refer note 27)	1,541	1,606

The Group receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.

c) Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Revenue as per contracted price	8,97,845	7,78,586
Reductions towards variable consideration components *	(21,864)	(20,736)
Revenue from contracts with customers	9,19,709	7,57,850

*The reduction towards variable consideration comprises of discounts, indexations etc.

d) **Government Grant:**

i) In accordance with the accounting policy for Government grants, the Group has recognised an amount of ₹ 14,907 Lacs towards state incentives (March 31, 2021: ₹ 3,051 Lacs) which is included in other operating income.

ii) The Group has recognised a government grant as income on account of Export Incentive under Merchandise Exports from India Scheme (MEIS) from Directorate General of Foreign Trade, Government of India.

Note 29: Other income

Refer note 2.6 for accounting policy on revenue recognition

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Interest income on		
Bank deposits	44	211
Other interest income	254	283
Other non-operating income	753	887
Foreign Exchange Fluctuations (Net)	89	-
Total	1,140	1,381

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 30: Cost of material consumed

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Raw material		
Opening stock	58,699	32,270
Add: Purchases	6,18,146	4,43,805
	6,76,845	4,76,075
Less: Closing stock *	(58,155)	(58,699)
Total	6,18,690	4,17,376

* The closing stock is gross off provision towards unusable raw materials aggregating Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 200 Lacs). Refer note 36 for further details.

Details of raw materials consumed

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Rubber	3,08,822	2,10,520
Fabrics	83,379	54,108
Carbon black	88,563	57,381
Chemicals	55,579	49,524
Others	82,347	45,843
Total	6,18,690	4,17,376

Details of Closing inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Rubber	34,827	41,388
Fabrics	6,991	4,309
Carbon black	3,578	2,574
Chemicals	5,670	4,308
Others	7,089	6,120
Total [refer note 10(a)]	58,155	58,699

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Opening Stock		
Finished goods	43,239	49,871
Work-in-progress	6,708	4,515
Stock-in-trade	1,979	3,975
	51,926	58,361
Closing Stock		
Finished goods	60,362	43,239
Work-in-progress *	7,885	6,708
Stock-in-trade	2,478	1,979
	70,725	51,926
Total change in inventories	(18,799)	6,435

* The closing stock is gross off provision towards unusable raw materials aggregating nil for the year ended March 31, 2022 (March 31, 2021: ₹ 28 Lacs). Refer note 36 for further details.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 32: Employee benefit expenses

refer note 2.17 for accounting policy on employee benefits

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Salaries, wages and bonus	56,396	56,275
Contribution to provident and other funds	2,975	2,571
Gratuity expenses (refer note 42)	944	883
Staff welfare expenses	9,065	7,816
Total	69,380	67,545

Note 33: Finance costs

Refer note 2.12 for accounting policy on Borrowing costs, 2.16 on Provisions and 2.13 on Leases.

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Interest on debts and borrowings [refer note 3(6)]	17,461	14,992
Other finance charges	783	829
Interest on lease liabilities [refer note 4(b)]	1,331	1,102
Total Interest expense	19,575	16,923
Unwinding of decommissioning liability	9	9
Unwinding of deferred payment obligation	326	-
Unwinding of discount on provision of sales related obligations	785	619
Total finance cost	20,695	17,551

Note 34: Depreciation and amortization expenses

Refer note 2.10 for accounting policy on property, plant and equipments, 2.11 on intangible assets and 2.13 on leases

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Depreciation on property, plant and equipment (refer note 3)	31,650	26,061
Amortization on intangible assets (refer note 5)	3,375	3,080
Depreciation on Right-of-use assets [refer note 4(a)]	8,495	4,822
Total	43,520	33,963

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 35: Other expenses

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Conversion charges	31,947	30,718
Short-term and low value lease rent	1,061	957
Stores and spares consumed	9,511	7,769
Provision for obsolescence of stores and spares	(85)	336
Power and fuel	32,767	25,547
Freight and delivery charges	42,240	40,497
Rates and taxes	141	1,302
Insurance	1,368	1,398
Repairs and maintenance:		
Machinery	7,795	6,232
Buildings	526	661
Others	24	34
Travelling and conveyance	2,725	1,547
Printing and stationery	280	216
Directors' fees (refer note 44)	49	59
Payment to auditors (refer foot note 1)	114	117
Cost audit fees	3	3
Advertisement and sales promotion expenses	16,363	17,113
Commission on sales	1,232	198
Communication expenses	2,137	2,003
Bad debts and advances written off	345	2,427
Allowance for bad debts and advances written back including utilisation of provision [refer note 22(d)]	(37)	(2,427)
	308	-
Allowance for doubtful debts and advances	(338)	103
Loss on disposal of property, plant and equipment (net)	1,072	650
Legal charges	599	221
Foreign exchange fluctuations (net)	-	143
Professional and consultancy charges	5,975	4,258
Commission to directors (refer note 44)	85	434
Training and conference expenses	361	397
Corporate social responsibility (CSR) expenses (refer foot note 2)	802	786
Bank charges	318	325
Sales related obligations	11,373	8,079
Miscellaneous expenses	22,470	16,387
Total	1,93,223	1,68,490

Notes:

1) Payment to auditors *

Particulars	(₹ in Lacs)	
	2021-22	2020-21
As auditor		
Audit fee	69	67
Limited review	24	24
In other capacity:		
Other services (including certification fees)	20	25
Reimbursement of expenses	1	1
Total	114	117

* Exclusive of Goods and Services Tax (GST) and other indirect taxes relevant to foreign subsidiary.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 35: Other expenses (Contd..)

2) Details of Corporate Social Responsibility (CSR) expenditure

Particulars	(₹ in Lacs)	
	2021-22	2020-21
a) Gross amount required to be spent during the year	802	786

Particulars	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
b) Amount spent during the year on on-going projects ended on March 31, 2022 *			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	632	104	736
Total	632	104	736

Particulars	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
c) Amount spent during the year on other than on-going projects ended on March 31, 2022 *			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	66	-	66
Total	66	-	66

Particulars	(₹ in Lacs)		
	In cash	Yet to be paid in cash	Total
d) Amount spent during the year ending on March 31, 2021*			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	786	-	786
Total	786	-	786

Nature of CSR activities include promoting education, employment enhancing vocation skills, protection and restoration of National Heritage and promoting healthcare including preventive healthcare and Disaster management.

* Above includes ₹ 104 Lacs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2022 (March 31, 2021: nil). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY22" ("UCSRA - FY22") of the Group within 30 days from end of financial year.

Note 36: Exceptional items

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Voluntary retirement scheme (VRS) (refer foot note a)	703	1,245
Expenses / losses due to fluctuations in Sri Lankan currency (refer foot note b)	588	-
Expenses / losses attributable to COVID-19 (refer foot note c)	-	2,011
Provision for loss by fire (refer foot note d)	-	150
Total	1,291	3,406

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 36: Exceptional items (Contd..)

Notes:

- The Group had introduced VRS for employees. During the year, 38 employees (March 31, 2021: 69 employees) opted for the VRS.
- The economic situation in Sri Lanka has deteriorated significantly and consequently there has been a devaluation of the currency during the quarter ended March 31, 2022. Consequently the Group has incurred an exchange loss of ₹ 588 Lacs towards intercompany transactions with its subsidiary / joint ventures in Sri Lanka.
- The COVID-19 pandemic had a significant impact on the Group operations in the previous year. The Group had made provision for unusable semi finished inventory and raw materials, aggregating Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 258 Lacs) due to abrupt stoppage of production facilities. Further, borrowing costs not capitalised due to temporary suspension related to ongoing capital projects, contract manpower cost and export detention (for the period attributable to the COVID-19) aggregate Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 1,753 Lacs).
- The Group's Halol plant witnessed a fire incident at its Passenger Car Radial Tyre Curing Section (Phase II) on April 08, 2020. The Group has provided for the loss (net of insurance claim receivable) of asset and material at ₹ 150 Lacs in the year ended March 31, 2021.

Note 37: Research and development costs

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Capital expenditure	1,325	2,072
Revenue expenditure	10,520	8,418
Total	11,845	10,490

The above expenditure of research and development has been determined on the basis of information available with the Group and as certified by the management.

Note 38: Earnings per share

Refer note 2.22 for accounting policy on Earnings per share ("EPS")

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Profit after tax for calculation of basic and diluted EPS	7,120	43,204
Weighted average number of equity shares (face value per share ₹ 10) in calculating basic EPS and diluted EPS	4,04,50,092	4,04,50,092
Basic earnings per share (Face value of ₹ 10 each)	17.60	106.81
Diluted earnings per share (Face value of ₹ 10 each)	17.60	106.81

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 39: Non-controlling interest

Financial information of subsidiaries that have material non-controlling interests is provided below:

i) Proportion of equity interest held by non-controlling interests

Name	Country of Incorporation	% of Equity interest	
		(₹ in Lacs)	
		March 31, 2022	March 31, 2021
Rado Tyres Limited	India	41.44%	41.44%
CEAT AKKHAN Limited	Bangladesh	30.00%	30.00%

Information regarding non-controlling interest

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Accumulated balances of material non-controlling interest:		
Rado Tyres Limited	(383)	(383)
CEAT AKKHAN Limited	2,737	2,707
Total	2,354	2,324
Total comprehensive income allocated to material non-controlling interest:		
Rado Tyres Limited	0	27
CEAT AKKHAN Limited	(62)	(1)
Total	(62)	26

ii) The summarized financial information of these subsidiaries is provided below (before inter-company eliminations).

a) Summarized statement of profit and loss

For the year ended March 31, 2022	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	20	13,702
Profit / (Loss) for the year	1	(209)
Other comprehensive income	-	-
Total comprehensive income	1	(209)
Attributable to:		
Equity holders of parent	1	(147)
Non-controlling interest	0	(62)

For the year ended March 31, 2021	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	200	12,375
Profit / (Loss) for the year	65	(4)
Other comprehensive income	-	-
Total comprehensive income	65	(4)
Attributable to:		
Equity holders of parent	38	(3)
Non-controlling interest	27	(1)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 39: Non-controlling interest (Contd..)

b) Summarized balance sheet

As at March 31, 2022	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Non-Current Assets	93	8,039
Current Assets	504	6,587
Non-Current Liabilities	(1,510)	(54)
Current Liabilities	(11)	(5,447)
Total equity	(924)	9,125
Attributable to:		
Equity holders of parent	(541)	6,388
Non-controlling interest	(383)	2,737

As at March 31, 2021	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Non-Current Assets	102	8,020
Current Assets	549	6,247
Non-Current Liabilities	(1,510)	(36)
Current Liabilities	(66)	(5,207)
Total equity	(925)	9,024
Attributable to:		
Equity holders of parent	(542)	6,317
Non-controlling interest	(383)	2,707

c) Summarized cash flow information

For the year ended March 31, 2022	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(60)	(983)
Investing	21	90
Financing	-	404
Net increase / (decrease) in cash and cash equivalents	(39)	(489)

For the year ended March 31, 2021	(₹ in Lacs)	
	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	32	743
Investing	474	(101)
Financing	-	16
Net increase / (decrease) in cash and cash equivalents	506	658

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 40: Interest in Joint Venture

The group has 50% interest in CEAT Kelani Holding (Pvt) Limited, a joint venture incorporated in Sri Lanka. The joint venture entity has wholly owned subsidiaries who are involved in the manufacture of tyres. The Group's interest in CEAT Kelani Holdings (Pvt) Limited is accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture based on its financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below.

i) Details of interest held by Company

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2022	
			March 31, 2022	March 31, 2021
CEAT Kelani Holding (Pvt) Limited	Manufacturing of tyres	Sri Lanka	50%	50%

ii) Summarized balance sheet

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-Current Assets	30,002	25,207
Current Assets	18,684	30,733
Non-Current Liabilities	(18,880)	(4,224)
Current Liabilities	(2,611)	(15,330)
Foreign currency translation differences	5,422	1,514
Net Assets (A)	32,617	37,900
Percentage of the Group's ownership (B)	50%	50%
Group's share in Net worth [A x B]	16,308	18,950
Goodwill on Consolidation	1,299	1,982
Revaluation reserve	(1,999)	(1,669)
Carrying amount of investments	15,608	19,263

iii) Summarized statement of profit and loss

Particulars	2021-22		2020-21	
	2021-22	2020-21	2021-22	2020-21
Revenue	61,142	45,873		
Finance Costs	(321)	(217)		
Depreciation and amortization	(1,880)	(1,842)		
Profit before tax	7,448	8,589		
Income tax expenses	(1,241)	(1,020)		
Profit after tax (A)	6,207	7,569		
Other comprehensive income	(68)	(16)		
Total other comprehensive income	6,139	7,553		
Percentage of the Group's ownership (B)	50%	50%		
Profit considered for consolidation [A x B]	3,104	3,785		

The Group has no contingent liabilities or capital commitments relating to its interest in CEAT Kelani Holding (Pvt) Limited as at March 31, 2022 and March 31, 2021. The joint venture has no contingent liabilities or capital commitments as at March 31, 2022 and March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 41: Interest in Associates

The group interest in associates is accounted for using the equity method in the consolidated financial statements. Summarized financial information of associates for the year ended March 31, 2022 and March 31, 2021 is based on its financial statements as set out below.

i) Details of interest held by Group

Particulars	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2022	
			March 31, 2022	March 31, 2021
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	* 49.83%	* 44.61%
Greenzest Solar Private Limited	Power generation	India	28.00%	28.00%

* Includes compulsory convertible preference shares (potential voting right).

ii) TYRESNMORE Online Pvt Ltd

During the year, the Group made additional investment of ₹ 380 Lacs (March 31, 2021 ₹ 260 Lacs) in TYRESNMORE Online Pvt Ltd.

a) Summarized balance sheet

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-Current Assets	151	150
Current Assets	268	209
Non-Current Liabilities	(102)	(38)
Current Liabilities	(237)	(132)
Total equity (A)	80	189
Percentage of the Group's ownership (B)	49.83%	44.61%
Group's share in Net worth [A x B]	40	84
Goodwill	946	747
Carrying amount of investment	986	831

b) Summarized statement of profit and loss

Particulars	2021-22		2020-21	
	2021-22	2020-21	2021-22	2020-21
Revenue	1,022	665		
Finance Costs	5	6		
Depreciation and amortization	28	25		
Profit / (Loss) for the period	(449)	(405)		
Other comprehensive income	-	-		
Total comprehensive income	(449)	(405)		
Profit / (Loss) considered for consolidation	(449)	(405)		
Percentage of the Group's ownership	49.83%	44.61%		
Group share in Profit / (Loss) considered for consolidation #	(224)	(177)		

49.83 % loss is considered for consolidation from the date of acquisition of additional interest

The Group has no contingent liabilities or capital commitments relating to its interest in TYRESNMORE Online Pvt Ltd as at March 31, 2022 and March 31, 2021. The associate has no contingent liabilities or capital commitments as at March 31, 2022 and March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 41: Interest in Associates (Contd..)

iii) Greenzest Solar Private Limited

During the year, the Group made additional investment of Nil (March 31, 2021 ₹ 468 Lacs) in Greenzest Solar Private Limited.

a) Summarized balance sheet

Particulars	₹ in Lacs	
	As at March 31, 2022	As at March 31, 2021
Non-Current Assets	5,967	6,134
Current Assets	582	645
Non-Current Liabilities	(4,270)	(3,539)
Current Liabilities	(485)	(1,430)
Total equity (A)	1,794	1,810
Percentage of the Group's ownership (B)	28.00%	28.00%
Group's share in Net worth [A x B]	502	507
Goodwill	6	6
Carrying amount of investment	508	513

b) Summarized statement of profit and loss

Particulars	₹ in Lacs	
	2021-22	2020-21
Revenue	764	564
Finance Costs	464	171
Depreciation and amortization	224	188
Profit / (Loss) for the period	(16)	80
Other comprehensive income	-	-
Total comprehensive income	(16)	80
Profit / (Loss) considered for consolidation	(16)	80
Percentage of the Group's ownership	28.00%	28.00%
Group share in Profit / (Loss) considered for consolidation *	(5)	23

* Loss of associate up to the date of acquisition of shares is not considered for consolidation

The Group has no contingent liabilities or capital commitments relating to its interest in Greenzest Solar Private Limited as at March 31, 2022 and March 31, 2021. The associate has no contingent liabilities or capital commitments as at March 31, 2022 and March 31, 2021.

Note 42: Post-retirement benefit plan

Refer note 2.17 for accounting policy on employee benefits

a) Defined contribution plan

Refer note 32 for Group's contribution to the defined contribution plans with respect to provident fund and other funds.

b) Defined benefit plan - Gratuity

Description of plan

The Group has a defined benefit gratuity plan which is funded with an Insurance Company in the form of a qualifying Insurance policy. The Group's defined benefit gratuity plan is a salary plan for employees which requires contributions to be made to a separate administrative fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service.

Governance

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 42: Post-retirement benefit plan (Contd..)

Investment Strategy

The Board of trustees have appointed LIC of India, Birla Sun Life Insurance, Kotak Mahindra Life Insurance, India First Life Insurance & HDFC Life Insurance to manage its funds. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group. In case of death, while in service, the gratuity is payable irrespective of vesting.

The following set out the amounts recognized in the Group's financial statements as at March 31, 2022 and March 31, 2021.

Consolidated balance sheet

i) Net Assets / (Liability) as at year end

Sr. No.	Particulars	₹ in Lacs	
		As at March 31, 2022	As at March 31, 2021
1	Closing Present value of the defined benefit obligation	12,508	12,324
2	Closing fair value of plan assets	11,411	11,624
	Net Assets / (Liability) recognized in the Balance Sheet	(1,097)	(700)

ii) Change in present value of the defined benefit obligation

Sr. No.	Particulars	₹ in Lacs	
		2021-22	2020-21
1	Opening present value of defined benefit obligation	12,324	11,839
2	Current Service Cost	944	883
3	Interest Cost	837	798
4	Benefits paid	(796)	(1,037)
5	Remeasurement (Gain) / Loss in other comprehensive income		
	- Actuarial changes arising from changes in demographic assumptions	(13)	26
	- Actuarial changes arising from changes in financial assumption	(407)	(52)
	- Experience adjustments	(381)	(133)
	Closing present value of defined benefit obligation	12,508	12,324

iii) Changes in fair value of plan assets

Sr. No.	Particulars	₹ in Lacs	
		2021-22	2020-21
1	Opening fair value of plan assets	11,624	9,301
2	Expected return on plan assets	790	627
3	Contributions made	-	2,501
4	Benefits paid	(796)	(1,037)
5	Return on plan assets, excluding amount recognised in net interest expense	(207)	232
	Closing fair value of plan assets	11,411	11,624

The Group's gratuity funds are invested through insurers

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 42: Post-retirement benefit plan (Contd..)

Consolidated statement of profit and loss

iv) Expenses recognised during the year

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
1	In Income Statement	992	1,054
2	In Other Comprehensive Income	(550)	(381)
	Total Expenses recognised during the period	442	673

v) Expenses recognized in the income statement

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
1	Current service cost (refer note 32)	944	883
2	Interest cost on benefit obligation	48	171
	Net benefit expense	992	1,054

vi) Expenses recognized in Other comprehensive income

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
1	Remeasurement arising from changes in demographic assumptions	(13)	26
2	Remeasurement arising from changes in financial assumptions	(363)	(42)
3	Remeasurement arising from changes in experience adjustment	(381)	(133)
4	Return on plan assets, excluding amount recognized in net interest expense	207	(232)
	Components of defined benefit (gain) / cost recognised in other comprehensive income	(550)	(381)

vii) Actual return on plan assets for the year ended

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
1	Expected return on plan assets	790	627
2	Actuarial gain / (loss) on plan assets	(207)	232
3	Actual return on plan assets	583	859

viii) The principal assumptions used in determining gratuity and leave encashment for the Group's plan are shown below

		(₹ in Lacs)	
Particulars	2021-22	2020-21	
Discount Rates (per annum)	7.20%	6.80%	
Salary growth rate (per annum)	7.00%	7.00%	
Mortality rate [% of Indian Assured Lives Mortality (2012-14) Modified Ultimate]	100.00%	100.00%	
Disability Rate (% of mortality rate)	5.00%	5.00%	
Withdrawal rates, based on service year: (per annum)			
- Below 5 years	9.61%	8.80%	
- Equal and above 5 years	3.74%	4.40%	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 42: Post-retirement benefit plan (Contd..)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Group's best estimate of contribution during the next year is ₹ 2,016 Lacs.

ix) Sensitivity analyses of the defined benefit obligation

The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation (Base)	12,508	12,324

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 and March 31, 2021 is as shown below:

Particulars	2021-22		2020-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	13,623	11,545	13,413	11,380
(% change compared to base due to sensitivity)	8.90%	(7.70)%	8.80%	(7.70)%
Salary Growth Rate (- / + 1%)	11,536	13,613	11,375	13,399
(% change compared to base due to sensitivity)	(7.80)%	8.80%	(7.70)%	8.70%
Attrition Rate (- / + 50% of attrition rates)	12,520	12,493	12,399	12,259
(% change compared to base due to sensitivity)	0.10%	(0.10)%	0.60%	(0.50)%
Mortality Rate (- / + 10% of mortality rates)	12,508	12,509	12,324	12,323
(% change compared to base due to sensitivity)	0.00%	(0.00)%	0.00%	(0.00)%

These plans typically expose the Group to actuarial risks such as: Investment Risk, Interest Risk, Demographic Risk and Salary Risk.

Risk	Exposure
Interest	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Investment	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Demographic	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 42: Post-retirement benefit plan (Contd..)

x) Weighted average duration and expected employers contribution for the next year for the defined benefit plan

The weighted average duration (based on discounted cash flows) of defined benefit obligation is 8 years.

Particulars	As at	
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	
Within the next 12 months (next annual reporting period)	1,896	1,742
Between 2 and 5 years	4,287	4,289
Between 5 and 10 years	5,437	5,404
Beyond 10 years	15,278	13,439
Total	26,898	24,874

Compensated absences

Refer note 22(b) for details on provision made towards compensated absences.

Note 43: Commitments and contingencies

a. Contingent Liabilities

Refer note 2.24 for accounting policy on contingent liability and contingent asset (to the extent not provided for)

Particulars	As at	
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	
1. Direct and indirect taxation matters *		
Income tax	901	901
Excise duty / Service tax / GST	7,859	7,144
Sales tax / VAT	4,517	4,967
Bills discounted with banks	15,164	14,305
2. Claims against the Group not acknowledged as debts *		
In respect of labour matters	743	654
Vendor disputes	294	294
3. Other claims * (refer foot note 1)	28,456	3,234

* In respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

Note:

1) The Competition Commission of India ("CCI") on February 02, 2022 has released its order dated August 31, 2018 on the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association concerning the contravention of the provisions of the Competition Act 2002, during the year 2011-12 and imposed a penalty of ₹ 25,216 Lacs on the Company. The Company has filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). The Company believes that it has a strong case and accordingly no provision is considered in these financial results.

b. Commitments

Particulars	As at	
	March 31, 2022	March 31, 2021
	(₹ in Lacs)	
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments)	88,529	65,923

c. Others

The Group has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nashik Plant. Hence, the Group has to take prior permission of the appropriate authority for removal/transfer of any asset (falling under the above Schemes) from Nashik Plant. In case of violation of terms & conditions, the Group is required to refund the entire loan/benefit along with the interest @ 22.50% on account of Sales Tax deferral Loan and @ 15% on account of Octroi refund.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 43: Commitments and contingencies (Contd..)

d. Demands and disputes considered as "Remote" by the Group

The Group has been served with a Show Cause cum Demand Notice from the DGCEI (Directorate General of Central Excise Intelligence) Mumbai, on the ground that, the activity of making tyre set, i.e. inserting Tubes and Flaps inside the Tyres and tied up through Polypropylene Straps, amounts to manufacture / pre-packaged commodity under Section 2(f)(iii) of Central Excise Act, read with Section 2(l) of the Legal Metrology Act, 2009. Accordingly, the authorities worked out the differential duty amounting to ₹ 27,672 Lacs. i.e., the difference between the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April 2011 to June 2017. The Company believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not a pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009 read with Central Excise Act and Rules made thereunder. The Group has a strong case on the ground that, the said issue has been clarified by the Controller of the Legal Metrology Department vide its letter dated May 01, 1991 that "Tyre with tube & flaps tied with three thin polythene strips may not be treated as a pre-packed commodity within the meaning of rule 2(l) of the Standards of Weights and Measures (Packaged Commodities), Rules, 1977". The above clarification has been re-affirmed vide letter dated November 16, 1992 by the Legal Metrology authorities.

Note 44: Related party transactions

a) Names of related parties and related party relationship

Related parties where control exists

- CEAT Kelani Holdings (Pvt.) Limited ("CKHL") (Joint venture of ACHL)
- Associated CEAT (Pvt.) Limited ("ACPL") (Subsidiary of CKHL)
- Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL)
- Ceat Kelani Radials Limited ("CKRL") (Subsidiary of CKHL)
- Asian Tyres (Pvt.) Limited ("ATPL") (Subsidiary of CKITL)
- TYRESNORE Online Pvt Ltd. ("TNM") (Associate Company)
- Greenzest Solar Private Limited. ("Greenzest") (Associate Company)
- RPG Enterprises Limited ("RPGE") (Directors, KMP or their relatives are interested)
- RPG Lifesciences Limited ("RPGLS") (Directors, KMP or their relatives are interested)
- Zensar Technologies Limited ("Zensar") (Directors, KMP or their relatives are interested)
- Raychem RPG (Pvt.) Limited ("Raychem") (Directors, KMP or their relatives are interested)
- Seniority Pvt. Limited ("Seniority") (Directors, KMP or their relatives are interested)
- KEC International Limited ("KEC") (Directors, KMP or their relatives are interested)
- Malabar Coastal Holdings LLP ("Malabar") (Directors, KMP or their relatives are interested)
- Al Sharif Group & KEC Ltd. Co ("AL sharif") (Subsidiary of KEC)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their relatives are interested)
- Atlantus Dwellings & Infrastructure LLP ("Atlantus") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their relatives are interested)
- Allwin Apartments LLP ("Allwin") (Directors, KMP or their relatives are interested)
- Amber Apartments LLP ("Amber") (Directors, KMP or their relatives are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their relatives are interested)
- CEAT Limited Superannuation Scheme ("Superannuation Scheme")(Post employment benefit fund)
- CEAT Limited Employees Gratuity Fund ("Gratuity trust")(Post employment benefit fund)/
- Artemis ventures Limited ("Artemis") (Directors, KMP or their relatives are interested)
- Key Management Personnel (KMP) and Directors:
 - i) Mr. Harsh Vardhan Goenka, Chairman
 - ii) Mr. Anant Vardhan Goenka, Managing Director
 - iii) Mr. Arnab Banerjee, Whole-time Director

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 44: Related party transactions (Contd..)

- iv) Mr. Kumar Subbiah, Chief Financial Officer
- v) Ms. Vallari Gupte, Company Secretary
- vi) Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director w.e.f. October 25, 2021
- vii) Mr. Vinay Bansal, Independent Director
- viii) Mr. Atul Choksey, Independent Director
- ix) Mr. Mahesh Gupta, Independent Director
- x) Mr. Haigreave Khaitan, Independent Director
- xi) Ms. Punita Lal, Independent Director up to January 20, 2021
- xii) Ms. Priya Nair w.e.f. October 27, 2020

b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

Transactions	Related Party	₹ in Lacs	
		2021-22	2020-21
Reimbursement / (recovery) of expenses (net)	ACPL	5	4
	AL sharif	-	8
	CKITL	(12)	(8)
	Raychem	(4)	(2)
	KEC	(39)	(12)
	Zensar	(6)	(18)
	RPGE	250	239
	TNM	36	-
	CKRL	(19)	-
	RPGLS	4	(5)
	Total	215	206
Royalty income	ACPL	156	131
	CKITL	171	143
	ATPL	-	108
	CKRL	354	120
	Total	681	502
Purchase of Traded goods and others	ACPL	-	28
	Seniority	32	43
	Greenzest	794	465
	Total	826	536
Sales	CKITL	4,056	1,557
	TNM	369	142
	ACPL	7	28
	Total	4,432	1,727
	Investments (including share application money) made during the year	Greenzest	-
	TNM	380	260
	Total	380	728
Technical development fees received	CKRL	-	35
	CKITL	-	75
	Total	-	110
Rent paid on residential premises / guest house, etc	KEC	8	16
	Atlantus	-	6
	Malabar	60	45
	Chattarpati	45	49
	B N Elias	22	26
	Total	135	142

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 44: Related party transactions (Contd..)

Transactions	Related Party	₹ in Lacs		
		2021-22	2020-21	
Building maintenance recovery	Raychem	-	56	
	KEC	498	532	
	RPGE	139	139	
	RPGLS	130	130	
	Total	767	857	
Rent recovery on residential premises	KEC	7	8	
	Raychem	1	1	
	RPGE	7	13	
	Total	15	22	
Contribution to Post-Employment Benefit Plans	Gratuity trust	-	2,501	
	Superannuation trust	78	85	
	Total	78	2,586	
	Receipt from Post-Employment Benefit Plans	Gratuity trust	813	1,037
	Superannuation Scheme	71	45	
	Total	884	1,082	
Purchase of capex / spares	KEC	4,456	1,131	
	Raychem	93	-	
	Total	4,549	1,131	
Consultancy fees	Artemis	43	29	
	Legal fees	Khaitan & Co.	211	56
	License fees	RPGE	1,521	1,375

c) Balance outstanding at the year end

Amount due to / from related party	Related party	₹ in Lacs	
		As at March 31, 2022	As at March 31, 2021
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(7)	-
	CKITL	1	0
	KEC	(4)	0
	RPGE	35	-
	Raychem	-	0
	Zensar	6	-
	RPGLS	4	0
	TNM	(1)	-
	CKRL	19	-
	Malabar	100	100
	Total	153	100
Royalty receivable	ACPL	45	84
	CKITL	92	83
	ATPL	-	60
	CKRL	208	63
Total	345	290	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 44: Related party transactions (Contd..)

		(₹ in Lacs)	
Amount due to / from related party	Related party	As at March 31, 2022	As at March 31, 2021
Trade payables	ACPL	-	1
	RPGE	-	34
	Greenzest	74	73
	Chattarpati	3	-
	Artemis	-	7
	Malabar	4	-
	Khaitan & Co	9	26
	Seniority	-	18
	Total	90	159
	Trade receivables	CKITL	2,157
ACPL		31	24
TNM		199	75
Total		2,387	595
Capital advance / (Capital Creditors) (net)	KEC	(356)	123
	Raychem	-	6
	Total	(356)	129

d) Transactions with key management personnel and Directors

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
1)	Mr. Harsh Vardhan Goenka		
	Commission *	370	40
	Director sitting fees	5	6
	Dividend	24	-
	Total	399	46
2)	Mr. Anant Vardhan Goenka		
	Salaries	476	124
	Allowances and perquisites	122	145
	Performance bonus *	291	-
	Contribution to provident & superannuation fund	49	44
	Dividend	3	-
	Recovered subsequently #	(200)	-
	Total	741	313
3)	Mr. Arnab Banerjee		
	Salaries	276	252
	Allowances and perquisites	4	3
	Performance bonus *	145	73
	Contribution to provident & superannuation fund	20	18
	Total	445	346
4)	Mr. Kumar Subbiah		
	Salaries	241	216
	Allowances and perquisites	3	3
	Performance bonus *	118	61
	Contribution to provident & superannuation fund	8	7
	Rent recovered	(17)	-
	Dividend	0	-
	Total	353	287

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for the year ended March 31, 2022

Note 44: Related party transactions (Contd..)

		(₹ in Lacs)	
Sr. No.	Particulars	2021-22	2020-21
5)	Ms. Vallari Gupte		
	Salaries	50	45
	Performance bonus *	17	12
	Contribution to provident & superannuation fund	3	3
	Dividend	0	-
	Total	70	60
6)	Mr. Paras K. Chowdhary		
	Commission *	10	7
	Director sitting fees	9	10
	Total	19	17
7)	Mr. Vinay Bansal		
	Commission *	10	7
	Director sitting fees	11	11
	Total	21	18
8)	Mr. Atul C. Choksey		
	Commission *	10	7
	Director sitting fees	5	6
	Total	15	13
9)	Mr. Mahesh S. Gupta		
	Commission *	10	7
	Director sitting fees	10	11
	Total	20	18
10)	Mr. Haigreve Khaitan		
	Commission *	10	7
	Director sitting fees	4	6
	Total	14	13
11)	Ms. Punita Lal		
	Commission *	9	7
	Director sitting fees	-	6
	Total	9	13
12)	Ms. Priya Nair		
	Commission *	5	-
	Director sitting fees	5	3
	Total	10	3
	Grand Total	2,116	1,147

* Represents amount paid during the year.

e) Balance outstanding at the year end for KMP and Directors

		(₹ in Lacs)	
Amount due to / from related party	Related party	As at March 31, 2022	As at March 31, 2021
Other receivable	Mr. Anant Vardhan Goenka #	200	-
	Mr. Harsh Vardhan Goenka	31	370
	Mr. Paras K. Chowdhary	9	10
	Mr. Vinay Bansal	9	10
	Mr. Atul C. Choksey	9	10
Commission Payable	Mr. Mahesh S. Gupta	9	10
	Mr. Haigreve Khaitan	9	10
	Ms. Punita Lal	-	9
	Ms. Priya Nair	9	5
	Total	85	434

An amount of ₹ 200 Lacs was estimated to be excess remuneration considering the low profits and recovered from Mr Anant Goenka, Managing Director, of which, ₹ 147 Lacs being excess remuneration as per the limits prescribed under section 197 of the Companies Act, 2013, is payable to Mr. Anant Goenka subject to the approval of the shareholders at the ensuing annual general meeting.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 44: Related party transactions (Contd..)

f) Terms and conditions of transactions with related parties

The sales to and purchases and other transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The remuneration to the key managerial personnel does not include the provisions made for gratuity as it is determined on an actuarial basis for the Group as a whole.

Managerial remuneration is computed as per the provisions of section 198 of the Companies Act, 2013. The amount outstanding are unsecured and will be settled in cash.

g) Capital commitments with related parties

The estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments) pertaining to the related parties are as follows:

Related Party	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Raychem	-	60
KEC	319	2,839
Total	319	2,839

Note 45: Segment information

Refer note 2.23 for accounting policy on Segment reporting

The Group is primarily engaged in business of manufacturing and sales of Automotive Tyres, Tubes & Flaps.

i) Information about products:

Particulars	(₹ in Lacs)					
	2021-22			2020-21		
	Automotive Tyres	Tubes and others	Total	Automotive Tyres	Tubes and others	Total
Revenue from contracts with customers	8,44,625	75,084	9,19,709	6,79,976	77,874	7,57,850

ii) Information about geographical areas:

Particulars	(₹ in Lacs)					
	2021-22			2020-21		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	7,36,477	1,83,232	9,19,709	6,40,069	1,17,781	7,57,850
Non-current assets	6,32,228	19,638	6,51,866	5,65,721	23,402	5,89,123

During the year 2021-22 and 2020-21, no single external customer has generated revenue of 10% or more of the Group's total revenue.

During the year 2021-22 and 2020-21, no single country outside India has given revenue of more than 10% of total revenue.

Notes to Consolidated Financial Statements

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Note 46: Hedging activities and derivatives

Derivatives designated as hedging instruments

The Group uses derivative financial instruments such as foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. It also uses Cross Currency Interest Rate Swaps ('CCIRS') to hedge interest rate and foreign currency risk arising from variable rate foreign currency denominated loans. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of recognised purchase payables, committed future purchases, recognised sales receivables, forecast sales.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Hedged foreign currency exposure

Derivative instrument	Purpose	Currency	(Amount in Foreign currency and ₹ in Lacs)			
			As at March 31, 2022		As at March 31, 2021	
			Foreign Currency	₹	Foreign Currency	₹
Forward Contract to sell Foreign Currency (FC)	Hedge of Foreign Currency sales	USD	332	25,177	198	14,467
		EUR	49	4,101	24	2,042
	Hedge of Foreign Currency High probable sales	USD	318	24,063	250	18,276
Forward Contract to buy Foreign Currency (FC)	Hedge of foreign currency purchase	USD	252	19,083	290	21,193
		EUR	101	8,496	147	12,610
		GBP	0	34	-	-
	JPY	2,255	1,401	849	560	
	Hedge of Foreign Currency Firm Commitment – Purchase Order based hedging	USD *	653	49,520	774	56,570
		GBP	2	179	2	207
CHF		-	-	0	37	
	EUR	109	9,203	115	9,873	
	JPY	5,473	3,401	3,528	2,329	

* This includes USD 4.1 Lacs hedged under options contract.

Unhedged Foreign currency Exposure

Particulars	Currency	(Amount in foreign currency in Lacs)	
		2021-22	2020-21
		Trade Receivables	USD
	EUR	8	6

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through statement of profit and loss.

The cash flow hedges as at March 31, 2022 were assessed to be highly effective and a net unrealised loss of ₹ 56 Lacs, with a deferred tax asset of ₹ 14 Lacs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2021 were assessed to be highly effective and a net unrealised loss of ₹ 1,792 Lacs, with a deferred tax asset of ₹ 516 Lacs relating to the hedging instruments, was included in OCI.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 47: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Note	Carrying value / Fair value	
		(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
Financial assets			
a) Measured at fair value through profit and loss			
Investments	7	813	402
b) Measured at amortised cost			
Other financial assets (Non-current)	8	1,187	1,118
Total		2,000	1,520
Financial liabilities			
a) Measured at fair value through other comprehensive income			
Derivative financial instruments (non-current and current)	21 and 26	1,642	1,541
b) Measured at amortised cost			
Lease liability (non-current and current)	4	13,209	11,497
Borrowings (Non-current)	20	1,71,916	1,34,104
Other financial liabilities (Non-current)	21	4,083	1,219
Total		1,90,850	1,48,361

The management assessed that fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, short term borrowings, other current financial assets and liabilities (except derivative financial instrument those being measured at fair value through other comprehensive income) which are receivable / payable within one year approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 48: Fair values hierarchy

The fair value of financial instruments as referred to in note 47 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- **Level 1:** Quoted prices for identical instruments in an active market;
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 48: Fair values hierarchy (Contd..)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at March 31, 2022 and March 31, 2021

Particulars	Total	Fair Value measurement using		
		(₹ in Lacs)		
		Level 1	Level 2	Level 3
As at March 31, 2022				
Financial assets at fair value				
a) Through profit & loss				
Investments	813	-	-	813
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	1,642	-	1,642	-
As at March 31, 2021				
Financial assets at fair value				
a) Through profit & loss				
Investments	402	-	-	402
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	1,541	-	1,541	-

There have been no transfers between Level 1 and Level 2 during the period.

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Derivative financial instruments: The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates, etc.

Investment: The fair value is calculated using the Discounted Cashflow method where the significant unobservable input used is discount rate - 17.57%.

Note 49: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also enters into derivative transactions.

The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors through its Risk management committee reviews and agrees policies for managing each of these risks, which are Summarized below.

a) Market risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Interest rate risk;
- Foreign currency risk;

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 49: Financial risk management objectives and policies (Contd..)

- Equity price risk; and
- Commodity risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

i. Interest rate risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Relates primarily to the Group's long-term debt obligations with floating interest rates.	The Group manages its interest rate risk pertaining to domestic borrowings by maintaining a balanced portfolio of borrowings linked to various tenor benchmark of MCLR, Repo rate and T-Bills. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at March 31, 2022, after taking into account the effect of interest rate swaps, approximately 23% of the Group's total borrowings are at a fixed rate of interest (March 31, 2021: 21%).

The following table provides a break-up of Group's fixed and floating rate borrowing (gross off processing fees)
(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	49,251	29,162
Floating rate borrowings	1,60,834	1,13,073
Total borrowings	2,10,085	1,42,235

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lacs)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2022		
₹ 1,60,834 Lacs	+ / - 100 bps	- 1,608.34 / + 1,608.34
March 31, 2021		
₹ 1,13,073 Lacs	+ / - 100 bps	- 1,130.73 / + 1,130.73

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 49: Financial risk management objectives and policies (Contd..)

ii. Foreign currency risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.	Relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency)	For the committed transactions, the Group manages its foreign currency risk by hedging transactions till the actual date of inflow & outflow. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. As at March 31, 2022, the Group has hedged 99% (March 31, 2021: 99%) of its foreign currency receivables / payables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lacs)

Particulars	Change in Currency	Effect on profit before tax
March 31, 2022		
Recognized net receivable – USD 1.50 Mio	₹ + 1 / - 1	+ 15.0 / - 15.0
Recognized net payable – EUR 0.80 Mio	₹ + 1 / - 1	+ 8.0 / - 8.0
March 31, 2021		
recognised net receivable – USD 0.20 Mio	₹ + 1 / - 1	+ 2.0 / - 2.0
recognised net receivable – EUR 0.60 Mio	₹ + 1 / - 1	+ 6.0 / - 6.0

The movement in the pre-tax effect is a result of a change in the fair value of the financial asset/liability due to the exchange rate movement. The derivatives which have not been designated in a hedge relationship act as an economic hedge and will offset the underlying transactions when they occur. The same derivatives are not covered in the above table.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

iii. Equity price risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 6. The group equity investments majorly comprises of strategic investments rather than trading purposes.

iv. Commodity price risk

Potential impact	Exposure	Risk Management
Fluctuations in price of essential raw materials	Price volatility of rubber and carbon black which may affect continuous supply	The Group's Board of Directors has reviewed and approved a risk management strategy regarding commodity price risk and its mitigation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 49: Financial risk management objectives and policies (Contd..)

Commodity price sensitivity

The following table approximately details the Group's sensitivity to a 5% movement in the input price of rubber and carbon black. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity and the balances below would be negative.

(₹ in Lacs)

Commodity	Increase in profit due to decrease in commodity price		Decrease in profit due to increase in commodity price	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Natural rubber	8,800	6,700	(8,800)
Synthetic rubber	6,600	4,500	(6,600)	(4,500)
Carbon black	4,200	2,800	(4,200)	(2,800)

b) Credit risk

Trade receivables

Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Risk Management:

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

Trade receivables are non-interest bearing and are generally on 27 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Export receivables are against Letter of Credit, bank guarantees, payment against documents. For open credit exports insurance cover is taken. Generally deposits are taken from domestic debtors under replacement segment. The carrying amount and fair value of security deposit from dealers amounts to ₹ 43,059 Lacs (March 31, 2021: ₹ 42,507 Lacs) as it is payable on demand. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(₹ in Lacs)

Ageing	As at March 31, 2022			As at March 31, 2021		
	Less than 180 days	More than 180 but less than 360 days	More than 360 days	Less than 180 days	More than 180 but less than 360 days	More than 360 days
Expected loss rate	0.00%	50.00%	100%	0.00%	50.00%	100%
Gross carrying amount	1,15,388	88	1,318	92,113	86	1,565
Loss allowance provision	-	44	1,318	-	43	1,565

c) Liquidity risk

The Group prepares cash flow on a daily basis to monitor liquidity. Any shortfall is funded out of short term loans. Any surplus is invested in appropriate mutual funds or bank deposits. The Group also monitors the liquidity on a longer term wherein it is ensured that the long term assets are funded by long term liabilities. The Group ensures that the duration of its current assets is in line with the current liabilities to ensure adequate liquidity in the 3-6 months period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 49: Financial risk management objectives and policies (Contd..)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Liquidity exposure

Particulars	(₹ in Lacs)			
	< 1 year	1-5 years	> 5 years	Total
As at March 31, 2022				
Non-derivative financial liabilities				
Non-current borrowings *	-	1,22,397	49,925	1,72,322
Current borrowings	37,762	-	-	37,762
Lease Liabilities	5,920	6,527	3,560	16,007
Other Financial Liabilities	79,902	3,990	93	83,985
Trade payables	2,15,758	-	-	2,15,758
Total	3,39,342	1,32,914	53,578	5,25,834
Derivative financial instruments	1,562	80	-	1,642
Total	3,40,904	1,32,994	53,578	5,27,476
As at March 31, 2021				
Non-derivative financial liabilities				
Non-current borrowings *	-	82,315	52,269	1,34,584
Current borrowings	7,652	-	-	7,652
Lease Liabilities	5,592	5,321	3,030	13,943
Other Financial Liabilities	79,890	1,083	136	81,109
Trade payables	1,83,946	-	-	1,83,946
Total	2,77,080	88,719	55,435	4,21,234
Derivative financial instruments	1,494	47	-	1,541
Total	2,78,574	88,766	55,435	4,22,775

* Non-current borrowings are before netting off of processing fees

Note 50: Capital management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings (note 20 & 24)	2,09,678	1,41,756
Less: cash and cash equivalents (note 12)	(2,377)	(3,609)
Net debt (A)	2,07,301	1,38,147
Equity attributable to equity holders of parent (note 17 and 18)	3,27,281	3,31,629
Equity and net debt (B)	5,34,582	4,69,776
Gearing ratio (A) / (B)	39%	29%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 51: Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial statements including the recoverability of the carrying value of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Group has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying value of the assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Note 52: Impact of Sri Lankan currency devaluation

On account of currency devaluation in Sri Lanka, there is a remeasurement loss on consolidating the Sri Lankan subsidiary Associated CEAT Holdings Company (Pvt.) Limited aggregating to ₹ 4,949 Lacs for the year ended March 31, 2022. The same has been disclosed under Other Comprehensive Income.

Note 53: Compliance With Approved Scheme Of Amalgamation

During FY 2020-21, the Company completed the merger of CEAT Specialty Tyres Limited (a wholly-owned subsidiary of the Company, the transferor company) via scheme of amalgamation. As per the scheme, the assets and liabilities pertaining to the transferor company have been transferred and vested to the Company at their book values from the appointed date being April 01, 2019. The amalgamation has been accounted for in accordance with Appendix C of Ind AS 103 'Business Combinations'. Further, current tax and deferred tax for year ended March 31, 2021 includes the impact on tax expenses consequent to the aforesaid amalgamation.

Note 54: Material foreseeable losses

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note 55: Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 56: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified certain amendments to existing Ind AS via notification dated March 23, 2022. The same shall come into force from annual reporting period beginning on or after April 01, 2022.

Key synopsis are as under:

- i) Ind AS 16 Property, Plant and Equipment - For items produced during testing / trail phase, clarification added that revenue generated out of the same shall not be recognised in statement of profit and loss and considered as part of cost of Property, Plant and Equipment.
- ii) Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets - Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- iii) Ind AS 103 - Business Combination - Reference to revised Conceptual Framework. For contingent liabilities/ levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- iv) Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

While preparing the consolidated financial statement for the year ended March 31, 2022, the above amendments are not considered for disclosure as standards notified by MCA, but not yet effective, in accordance with IND AS.

Note 57: Code on Social Security 2020

The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the company towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period of notification of the relevant provisions.

Note 58: Previous year figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification. (Refer note 2.26 for accounting policy on Amendments to Schedule III of the Companies Act, 2013).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 59: Information required for consolidated financial statement pursuant to Schedule III of the Companies Act, 2013

Name of Entity	Relationship	As at March 31, 2022		Share in Profit or Loss			As % of consolidated Profit or Loss (after OCI)	₹ in Lacs
		Net Assets i.e. Total Assets minus Total Liabilities	As % of consolidated net assets	₹ in Lacs	As % of consolidated other comprehensive income	₹ in Lacs		
CEAT Limited	Parent	3,15,027 (924)	96%	5,433	(10%)	401	204%	5,834
Rado Tyres Limited	Indian Subsidiary	116	0%	1	0%	-	0%	1
CEAT Specialty Tyres INC.	Foreign Subsidiary	54	0%	40	0%	-	1%	40
CEAT Specialty Tyres BV	Foreign Subsidiary	9,124	3%	(209)	0%	-	2%	49
CEAT AKKHAN Limited	Foreign Subsidiary	20	0%	12	0%	(34)	(7%)	(209)
Associated CEAT Holding Pvt Limited (ACHL)	Foreign Subsidiary	11,602	4%	3,104	0%	-	(1%)	(22)
CEAT Kelani Holding Pvt Limited (Joint venture of ACHL)	Joint Venture	986	0%	(224)	44%	-	109%	3,104
Tyresmore Online Private Limited	Associate	508	0%	(5)	(3%)	-	(8%)	(224)
Greenzest Solar Private Limited	Associate	-	0%	-	(0%)	-	(0%)	(5)
Non-controlling interest in all subsidiaries		(383)	(0%)	0	0%	-	0%	0
Rado Tyres Limited	Indian Subsidiary	2,737	1%	(62)	(1%)	-	(2%)	(62)
CEAT AKKHAN Limited	Foreign Subsidiary	(9,232)	(4%)	(1,081)	(15%)	(4,569)	(198%)	(5,650)
Consolidation adjustments		3,29,635	100%	7,058	100%	(4,202)	100%	2,856
Total								

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E3000003

per Sudhir Soni
Partner
Membership Number : 41870

Place: Mumbai
Date: May 05, 2022

For and on behalf of Board of Directors of CEAT Limited

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman

Anant Goenka
Managing Director

Vallari Gupta
Company Secretary

Mahesh Gupta
Chairman - Audit Committee

Annexure - I

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lacs)

1	SI No.	1	2	3	4	5
2	Name of the subsidiary	Associated CEAT Holdings Company (Pvt.) Limited	CEAT AKKhan Limited	Rado Tyres Limited	CEAT Specialty Tyres Inc.	CEAT Specialty Tyres B.V
3	The date when subsidiary was acquired (Date of remittance of funds)	October 27, 2009	May 30, 2012	September 27, 2013	July 11, 2017	July 24, 2018
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform	Uniform	Uniform	Uniform	Uniform
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1 LKR = ₹ 0.2583	1 BDT = ₹ 0.8812	₹ Not Applicable	1 USD = ₹ 75.83	1 EUR = ₹ 84.34
6	Share capital	258	13,218	643	0	42
7	Reserves & surplus	23	(4,094)	(1,567)	116	11
8	Total assets	1,072	14,626	597	132	169
9	Total Liabilities	791	5,502	1,521	16	115
10	Investments	258	-	0	-	-
11	Turnover	2,127	13,702	20	881	763
12	Profit before taxation	2,143	366	1	60	53
13	Provision for taxation	4	575	-	20	5
14	Profit after taxation	2,139	(209)	1	40	48
15	Proposed Dividend	-	-	-	-	-
16	% of shareholding	100%	70%	58.56%	100%	100%

1. Names of subsidiaries which are yet to commence operations. - Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year. - Not Applicable

Note: Above figures are based on standalone financial information of the subsidiary.

Notice

Part B: Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sl No.	Name of Associates	TYRESNMORE Online Pvt Ltd	Greenzest Solar Private Limited
1	Latest audited Balance sheet Date	March 31, 2022	March 31, 2022
2	Date on which the Associate was associated or acquired	August 21, 2017	January 07, 2020
3	Shares of Associate held by the company on the year end		
	No.	1) 100 equity shares of ₹ 1 each 2) 1,07,797 0.001% compulsory convertible preference shares of ₹ 1 each	506,12,501 equity shares of ₹ 10 each
	Amount of investment in Associates	₹ 1,639 Lacs	₹ 490 Lacs
	Extent of holding %	49.83%	28.00%
4	Description of how there is a significant influence	By holding more than 20% share	By holding more than 20% share
5	Reason why the associate is not consolidated	Not Applicable	Not Applicable
6	Networth attributable to shareholding as per latest audited Balance Sheet	₹ 40 Lacs	₹ 502 Lacs
7	Profit / (Loss) for the year		
	i. Considered in Consolidation	₹ (224) Lacs	₹ (5) Lacs
	ii. Not Considered in Consolidation	₹ (225) Lacs	₹ (11) Lacs

- Names of associates which are yet to commence operations. - Not Applicable
- Names of associates which have been liquidated or sold during the year. - Not Applicable

For and on behalf of Board of Directors of CEAT Limited

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman

Anant Goenka
Managing Director

Vallari Gupta
Company Secretary

Mahesh Gupta
Chairman - Audit Committee

Place: Mumbai
Date: May 05, 2022

NOTICE is hereby given that the Sixty-Third Annual General Meeting of CEAT Limited will be held on **Tuesday, June 28, 2022, at 3.00 p.m.** Indian Standard Time ('IST') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

Ordinary Business

- To receive, consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Report of the Auditors thereon.
- To declare dividend of ₹ 3/- per equity share of face value of ₹ 10/- each for the Financial Year ended March 31, 2022.
- To appoint a Director in place of Mr. H. V. Goenka (DIN:00026726), who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any amendment(s), modification(s) or variation(s) thereto) and the recommendations of the Audit Committee and Board of Directors, the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W100022), as Statutory Auditors of the Company, in place of M/s. S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) whose tenure expires at the Sixty-Third Annual General Meeting, to hold office for a term of 5 (five) years commencing from the conclusion of this Annual General Meeting until the conclusion of the Sixty-Eighth Annual General Meeting of the Company, on such remuneration plus reimbursement of out of pocket expenses as may be incurred by them in connection with the audit of accounts of the Company, as may be mutually agreed between the Board of Directors of the Company and the said Auditors (based on the recommendation of the Audit Committee) be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

Special Business

- To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions, if any of the Companies Act, 2013 read with Rules made thereunder (including any amendment(s), modification(s) or variation(s) thereto), the remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) plus applicable taxes and reimbursement of out-of-pocket expenses, payable to M/s D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2023, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

- To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or variation(s) thereto), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the re-appointment of Mr. Anant Goenka (DIN: 02089850) as the Managing Director and Chief Executive Officer, for a further period of 5 (five) years commencing from April 1, 2022 and ending on March 31, 2027 upon the terms and conditions set out in the Agreement dated March 31, 2022 entered into between the Company and Mr. Goenka and submitted to this Meeting (which Agreement is also hereby ratified and approved) be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors upon the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter such terms & conditions as set out in the Agreement, as it may deem appropriate in compliance with the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do

all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Rules made thereunder (including any amendment(s), modification(s) or variation(s) thereto), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) as amended, the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Anant Goenka (DIN:02089850), Managing Director and Chief Executive Officer, for a term of 5 (five) years with effect from April 1, 2022, as detailed in the Explanatory Statement appended hereto, with authority to the Board of Directors (upon the recommendation of Nomination and Remuneration Committee), to alter or enhance, including periodical increase in his remuneration as may be permissible within the overall limits as prescribed under Section 197 of the Act and Rules made thereunder, Regulation 17(6)(e) of the Listing Regulations and other applicable laws, regulations, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any amendment, modification or variations thereto), Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), as amended, the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for the payment of excess managerial remuneration for FY 2021-22 (as mentioned in the Explanatory Statement appended hereto) (comprising of fixed component and performance bonus / variable pay) to Mr. Anant Goenka, (DIN:02089850), Managing Director of the Company, on such terms and conditions as originally approved by the Members vide resolution dated August 8, 2017, notwithstanding that the annual remuneration payable for FY 2021-22 to Mr. Goenka exceeds the limits prescribed under

Section 197 of the Act and Regulation 17(6)(e) of the Listing Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

9. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder (including any amendment, modification or variations thereto) and applicable provisions of any other laws, rules, regulations, guidelines, circulars, if any, prescribed by the Government of India, Reserve Bank of India, the Securities and Exchange Board of India, as amended from time to time and subject to the provisions of the Memorandum and Articles of Association of the Company and such sanctions, approvals or permissions as may be required from regulatory authorities from time to time, approval of the Members be and is hereby accorded to the Board of Directors of the Company (‘the Board’ which expression shall also include a Committee thereof, for the time being exercising the powers conferred on it by the Board by this resolution) for making offer(s) or invitation(s) to subscribe secured / unsecured, non-convertible debentures / bonds or such other securities (‘debt securities’) through private placement basis in one or more series / tranches, for an amount not exceeding ₹5,00,00,00,000 (Rupees Five Hundred Crores only) at such price or on such terms and conditions as the Board may from time to time determine and consider proper and beneficial to the Company including listing of such debt securities with Stock Exchange(s), size and time of issue, issue price, tenure, interest rate, premium / discount, consideration, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

Under the Authority of the Board of Directors

Vallari Gupte
Company Secretary and
Compliance Officer
(M. No. FCS-5770)

Place: Mumbai
Date: May 5, 2022

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli,
Mumbai 400 030

NOTES:

- Pursuant to the General Circulars 2/2022, 21/2021 and other circulars issued by the Ministry of Corporate Affairs (MCA) (collectively referred to as ‘MCA Circulars’), the companies are permitted to conduct the Annual General Meeting (‘AGM’) during the calendar year 2022 through Video Conferencing (‘VC’) or Other Audio Visual Means (‘OAVM’), dispensing the requirement of physical presence of the Members at the meeting venue. In compliance with the provisions of the Companies Act, 2013 (‘the Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) and MCA Circulars, the AGM of the Company is being held through VC / OAVM and the proceedings of which shall be deemed to be conducted at the Registered Office of the Company at 463, Dr. Annie Besant Road, Worli, Mumbai 400 030. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company’s website www.ceat.com.

- As this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with and the attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. As such, the facility for the appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including route map are not appended to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company and attending the meeting will be entitled to vote on the resolutions.

- Brief Details of the Directors, who are seeking re-appointment, are provided in the Notice as provided under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (‘ICSI’).
- The Explanatory Statement setting out material facts, pursuant to Section 102 of the Act, which sets out details relating to the Item Nos. 3 to 9 to be taken at the AGM is appended hereto.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the Notice and Explanatory Statement, shall be available

for inspection through electronic mode by the Members, in accordance with the applicable statutory requirements basis the request being sent on agm@ceat.com.

- The Company has engaged the services of National Securities Depository Limited (‘NSDL’), as the authorised agency for conducting the AGM through VC / OAVM and providing remote e-voting and e-voting facility for / during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
- To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company; any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period. Periodic statement of holdings should be obtained from the concerned Depository Participant (‘DP’) and holdings should be verified from time to time.
- In any case, Members holding shares in the same name or in the same order of names, under different folios are requested to consolidate their shareholding into single folio by submitting the original share certificate along with the Amalgamation Form to the Company’s RTA viz. TSR Consultants Private Limited (‘RTA’) at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 to help us serve you better.
- SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, has mandated that for making dividend payments, companies whose securities are listed on the Stock Exchanges shall use permissible modes for electronic remittance of dividend. Further, pursuant to MCA General Circular 20/2020 dated May 5, 2020, companies are directed to credit the dividend directly to the bank accounts of the Members using Electronic Clearing Services. Therefore:
 - Members holding shares in the demat mode are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email ID, contact numbers etc. to their DP. Changes intimated to the DP will then be automatically reflected in the Company’s records.
 - Members holding shares in physical form are requested to intimate such changes to the Company’s RTA by submission of a Service Request Form ISR-1 duly filled and signed by the Member together with the supporting documents as stated therein.
- Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited / dispatched on or before Wednesday, July 27, 2022, as under:

- a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the end of the day of Monday, June 13, 2022; and
- b. to all those Shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of the day on Monday, June 13, 2022.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of certain shareholders effective April 1, 2020 and the Company is required to deduct tax at source / withholding tax from dividend paid to such Members at the prescribed rates. A detailed communication to the Members in this regard is available on the Company's website. The Members may please refer to the same and comply to ensure appropriate deduction of tax and in any case update Residential status, PAN, Category of holding, etc. with their DP or in case shares are held in physical form, with the Company's RTA. Members may refer to the provisions under the Income Tax Act, 1961, for detailed information on the tax deduction on dividend.

11. As per the Listing Regulations, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the Members will be printed on the warrants.
12. SEBI has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their DPs and Members holding shares in physical form can submit their PAN details to the Company's RTA.

SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, read together with SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, mandates all the listed companies to record the valid PAN, Address with PIN code, Email ID, Mobile Number, Bank Account Details, Specimen Signature and Nomination by holders of physical securities. Members were requested to ensure the above details are updated with the RTA before April 1, 2023, since folios for which the above details are not available thereafter shall be marked frozen and the RTA shall not be able to process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC Details and Nomination documents/details are updated. Accordingly, requisite communication has been sent to

the Members holding shares in physical form to update the requisite KYC details.

13. The Members may further note that through SEBI Notification dated January 24, 2022, read with SEBI Circular dated January 25, 2022, the listed companies are required to issue the securities in dematerialized form only while processing the requests for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition. Also, in view of the Regulation 40 of the Listing Regulations, as amended with effect from January 24, 2022, securities of listed companies can now be transferred only in the demat mode. Members holding shares in physical form are therefore requested to convert their holdings into the demat mode to avoid loss of shares or fraudulent transactions and avail better investor servicing.
14. Pursuant to Section 72 of the Act, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic form, the Members may please contact their respective DP.
15. In terms of Section 124(5) of the Act, dividend amount for the financial year ended March 31, 2015, remaining unclaimed for a period of 7 (seven) years shall become due for transfer in September 2022 to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Members who have not claimed dividends in respect of the financial year 2014-15 and onwards are requested to approach the Company / Company's RTA, for claiming the same as early as possible, to avoid the transfer of the relevant shares to the demat account of the IEPF Authority.

The shares once transferred to IEPF Account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the IEPF Rules and no claim shall lie against the Company. For the purpose of claiming transferred shares, a separate application can be made to the IEPF Authority by following the prescribed procedure as detailed on the website of IEPF Authority viz. <http://www.iepf.gov.in/>

16. The term 'Members' has been used to denote Shareholders of CEAT Limited.
17. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCEDURE FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:**

In compliance with the applicable Circulars issued by MCA and SEBI, Notice of the AGM along with the

Annual Report of FY 2021-22 is being sent only through electronic mode to those Members whose email IDs are registered with the Company / Depositories. Members may note that the Notice and Annual Report of FY 2021-22 will also be available on the Company's website www.ceat.com, under 'Annual Reports' tab, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited ('NSDL') i.e. www.evoting.nsdl.com.

REGISTRATION OF EMAIL ID:

i) FOR MEMBERS HOLDING PHYSICAL SHARES:

The Members of the Company holding equity shares of the Company in physical form and who have not registered their email ID may get their email IDs registered with Company's RTA by providing a Service Request Form ISR-1 duly filled and signed by the Member together with the supporting documents as stated therein.

ii) FOR MEMBERS HOLDING SHARES IN DEMAT MODE:

The Members holding shares in demat mode are requested to register their email IDs, with the respective DP by following the procedure prescribed by the concerned DP.

18. For more details on Members' matters, please refer to the 'General Shareholder Information' section included in the Corporate Governance Report.

19. PARTICIPATION AT THE AGM AND VOTING

A) The details of the process and manner for participating in the AGM through VC / OAVM are explained herein below:

- i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same by following the steps mentioned for 'Access to NSDL e-voting system'. After successful login by following the given procedure, Members can see link of 'VC / OAVM link' placed under 'Join General meeting' menu against Company name. Members are requested to click on VC / OAVM link placed under Join Meeting menu.

The link for VC / OAVM will be available in Shareholder / Member login where the **EVEN of the Company-119978** will be displayed.

- ii. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password, may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.
- iii. The Members can join the AGM in the VC / OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window

for joining the Meeting shall be kept open throughout the proceedings of the AGM.

- iv. Members are encouraged to join the Meeting through Laptops / iPads connected through broadband for a better experience. Please note that Members connecting from mobile devices or tablets or through laptop via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network connections. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending the request from their registered email ID mentioning their Name, DP ID and Client ID / folio number, PAN, mobile number at agm@ceat.com from 9.00 a.m. (IST) on Wednesday, June 22, 2022 till 5.00 p.m. (IST) on Friday, June 24, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.
- vi. The Members who do not wish to speak during the AGM but have queries on Financial Statements or any other matter to be placed at the AGM may send the same latest by Saturday, June 25, 2022, mentioning their Name, DP ID and Client ID / folio number, PAN, mobile number at agm@ceat.com. These queries will be replied suitably either at the AGM or by an email.
- vii. Institutional / Corporate Members are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution, whereby the Authorised Representative has been appointed to attend the AGM through VC / OAVM on its behalf and to vote through e-voting during the AGM pursuant to Section 113 of the Act. The said resolution / authorisation shall be sent through the registered email ID to the Scrutinizer's email ID: ceat.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- viii. Members who need assistance before or during the AGM with respect to use of technology, can:
 - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800 1020 990 / 1800 22 44 30; or
 - Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or

- Contact Ms. Sarita Mote, Assistant Manager, NSDL at the designated email ID: evoting@nsdl.co.in

- ix. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

B) Remote e-voting and Voting at AGM:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI') and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by listed entity, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting facility provided by NSDL.
- ii. The Members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote on such resolution again at the AGM.
- iii. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Tuesday, June 21, 2022, only shall be entitled to avail the facility of remote e-voting / voting at the AGM. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, June 21, 2022.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e. Tuesday, June 21, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using 'Forgot User Details / Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30.

In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Tuesday, June 21, 2022, may follow steps mentioned in the Notice of the AGM under '**Access to NSDL e-voting system**'.

- iv. The Company has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhabliwala (FCS 8331, CP 9511) or failing him Ms. Sarvari Shah (FCS 9697, CP 11717) of Parikh & Associates, Practising Company Secretaries, to act as the Scrutinizer, to the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- vi. Pursuant to Regulation 44 of the Listing Regulations as amended, the voting results will be declared within two working days from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company www.ceat.com and the website of NSDL e-voting i.e. www.evoting.nsdl.com and communicated to the Stock Exchanges where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company.

The instructions for Members for remote e-voting and joining AGM are as under:

The remote e-voting period begins on Saturday, June 25, 2022, at 9:00 a.m. (IST) and ends on Monday, June 27, 2022, at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, June 21, 2022, may cast their vote electronically.

The details of the process and manner for remote e-voting and joining the AGM are explained herein below:

Step 1: Access to NSDL e-voting system

(A) Login method for e-voting and joining the AGM for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by Listed Companies,

Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining AGM and voting during the AGM. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Please follow steps given in points 1-5. <p>B. e-voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM and voting during the AGM.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi / Login to My Easi option under Quick Login. 2. After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants (DP)	4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and email ID as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress. You can also login using the login credentials of your demat account through your Depository Participant (DP) registered with NSDL / CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM and voting during the AGM.

Important note: Members who do not have or are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login Type	Helpdesk Details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43

(B) Login method for e-voting and joining the AGM for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by folio number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'Initial Password' which was communicated to you by NSDL. Once you retrieve your 'Initial Password', you need to enter the 'Initial Password' and the system will force you to change your password.
 - c) How to retrieve your 'Initial Password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'Initial Password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial Password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in point D) Process for those Members whose email IDs are not registered with the Depositories for procuring User ID and Password for e-voting for the resolutions set out in this Notice.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
 7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
 8. Now, you will have to click on 'Login' button.
 9. After you click on the 'Login' button, Home page of e-voting will open.
 10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- Step 2: Cast your vote electronically and join AGM on NSDL e-voting system.**
1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select '**EVEN** of **CEAT Limited - 119978** for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC / OAVM' link placed under 'Join Meeting'.
 3. Now you are ready for e-voting as the voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
 5. Upon confirmation, the message 'Vote cast successfully' will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 8. In case of any queries, with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting

user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 22 44 30 or can contact NSDL on evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Senior Manager, NSDL or Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

C) E-Voting at the AGM:

- i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii) Only those Members, who will be present in the meeting through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- iii) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv) The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

D) Process for those Members whose email IDs are not registered with the Depositories for procuring User ID and Password for e-voting for the resolutions set out in this Notice:

Members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing below-mentioned documents:

1. In case shares are held in physical mode, please provide folio number, Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy).
2. In case shares are held in demat mode, please provide DP ID Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy).
3. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1(A) i.e. Login method for e-voting and joining the AGM for Individual Shareholders holding securities in demat mode.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS IN THE NOTICE:

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 9 of the accompanying Notice:

Item No. 3 of the Notice:

As regards the re-appointment of Mr. H. V. Goenka (DIN:00026726) referred to in Item no. 3 of the Notice, following necessary disclosures are made for the information of the Members.

Mr. H. V. Goenka, 64, is the Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments having an annual turnover of about USD 4 Billion. Mr. Goenka is a graduate in Economics and an MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is now on the Foundation Board of IMD, Lausanne. Mr. Goenka, a past President of the Indian Merchants' Chamber, is also a member of the Executive Committee of FICCI and a Trustee on the Board of the Breach Candy Hospital Trust. Mr. Goenka has been the Chairman of the Board of the Company since 2013.

Mr. Goenka is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Goenka holds 1,33,934 shares (0.33%) directly and 44,85,584 shares (11.09%) as beneficial owner in the Company.

Other Directorships (excluding foreign companies):

1. Bajaj Electricals Limited
2. Breach Candy Hospital Trust
3. KEC International Limited
4. R P G Enterprises Limited
5. Raychem-RPG Private Limited
6. RPG Life Sciences Limited
7. Spencer International Hotels Limited
8. Zensar Technologies Limited

Membership/Chairmanship of Committees of other Board (excluding foreign companies): Nil

Mr. Goenka has not resigned from any of the listed entities during the last three years.

Other details including the nature of expertise in specific functional areas and the number of Board Meetings attended by him are given in the Corporate Governance Report forming part of this Annual Report. Mr. Goenka is eligible for payment of sitting fees and commission, as payable to Non-Executive directors of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. H. V. Goenka himself

and Mr. Anant Goenka, Managing Director is, in any way, concerned or interested whether financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for approval of the Members.

Item No. 4 of the Notice:

As regards to the appointment of Statutory Auditor referred in Item no. 4 of the Notice, following necessary disclosures are made for the information of the Members.

M/s. S R B C & Co. LLP, Chartered Accountants, have been the Statutory Auditors of the Company since their appointment at the Annual General Meeting ('AGM') held on September 26, 2014. Pursuant to the provisions of Section 139 (2) of the Companies Act 2013 ('the Act'), read with applicable Rules framed thereunder, the term of the present Statutory Auditors expires at the conclusion of the Sixty-Third AGM. The Board of Directors places on record their appreciation for the services rendered by M/s. S R B C & Co. LLP, Chartered Accountants.

Accordingly, the Board of Directors based on the recommendations of the Audit Committee proposed the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W100022) as Statutory Auditors of the Company in place of M/s. S R B C & Co. LLP, Chartered Accountants. M/s. B S R & Co. LLP, Chartered Accountants have vide their letter dated April 25, 2022, informed the Company that their appointment, if made, shall be in compliance with the provisions of Sections 139, 141 and 144 of the Act and Companies (Audit and Auditors) Rules, 2014.

The Board recommends the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a term of 5 (five) years to hold the office from the conclusion of the Sixty-Third Annual General Meeting till the conclusion of the Sixty-Eighth Annual General Meeting of the Company.

Details as required pursuant to regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are as under:

- o **Proposed statutory audit fee payable to auditors**
Up to ₹ 63 Lacs (Up to Rupees Sixty-Three Lacs) as statutory audit fees for the year ending March 31, 2023.
- o **Terms of appointment**
5 (five) years from the conclusion of Sixty-Third Annual General Meeting till the conclusion of the Sixty-Eighth Annual General Meeting of the Company.
- o **Material change in fee payable**
There is no material change in the proposed fees for the auditors.
- o **Basis of recommendation and auditor credentials**
The recommendations are based on the fulfilment of the eligibility criteria prescribed in the Companies Act, 2013.

M/s B S R & Co. LLP was constituted on March 27, 1990 as a partnership firm having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W100022. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The Firm is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. The Firm has a staff of over 3000 people and more than 100 Partners and audits companies listed on various stock exchanges in India including companies in the Automotive sector.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval of the Members.

Item No. 5 of the Notice:

The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, mandate audit of the cost accounting records of the Company in respect of certain products. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 5, 2022, appointed M/s D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditor of the Company for the financial year ending March 31, 2023 at a remuneration of ₹3,00,000/- (Rupees Three Lacs only) plus applicable taxes and out-of-pocket expenses, if any, incurred in connection with the audit. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor should be ratified by the Members of the Company. Accordingly, approval of the Members is sought for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2023, as stated above.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for approval of the Members.

Item Nos. 6 & 7 of the Notice:

Mr. Anant Goenka has been the Managing Director of CEAT Limited ('CEAT' or 'the Company') since the year 2012.

Over these years, Mr. Goenka has been instrumental and a catalyst in the success story of CEAT. Under his aegis, CEAT has become one of the fastest growing companies in the Indian tyre market and amongst the major exporters of tyre with sales across 110+ countries, while concentrating on expansion, research and development, innovation and digital transformation throughout supply chain.

The highlights of CEAT's performance under his leadership and during his recent tenure as Managing Director are as follows:

1. CEAT marched further on the transformation journey from a largely commercial tyre manufacturer to one of the leaders in passenger / consumer segment i.e. 2-wheeler and passenger car tyres. Contribution from passenger segments increased from ~42% in FY 2016-17 to ~46% in FY 2021-22. The transformation was led by a conscious and consistent effort to increase recall of CEAT brand name and substantially scale up distribution network. CEAT today has one of the largest number of touch-points in Indian tyre industry.
2. CEAT has created a strong growth engine in the form of exports, which grew by ~70% in FY 2021-22 over FY 2020-21. Export contribution as % of sales has increased from ~12% in FY 2016-17 to ~20% in FY 2021-22. Export growth was led by seeding new geographies, understanding local market requirements and developing multiple SKUs offering best-in-class quality at competitive prices.
3. Despite challenging macro environment with multiple disruptions and headwinds like Covid, GST implementation, slowdown in automotive demand, geo-political unrest, crisis in the financial industry (NBFC crisis), higher fuel prices, higher cost of vehicle ownership (BS-VI norms implementation), during last 5 years, CEAT's revenue has grown from ₹6,41,797.53 Lacs in FY 2016-17 to ₹9,34,082 Lacs in FY 2021-22 at CAGR of 7.8%.
4. Under the guidance of Mr. Goenka, CEAT significantly expanded its capacity over the last five years. A new passenger car radial tyres plant was set up in Chennai (Tamil Nadu) in 2020. An off-highway radial tyre plant was set up and commenced its operations at Ambernath (Maharashtra) in 2017. The capacity of Truck-Bus Radial tyres at Halol was expanded in 2018 and the two-wheeler tyre capacity in Nagpur was expanded in 2020. Chennai Plant started its commercial production in 2020 and CEAT Specialty Tyres Limited was merged with CEAT in 2020. Overall capacity increased from 1,000 MT in FY 2015-16 to more than 1,500 MT in FY 2021-22.
5. CEAT has extensively adopted digitization to improve the experience of its business partners and simplify their day-to-day operations. Some of the key initiatives launched are Omni Channel presence (CEAT tyres are now available on all online and offline platforms), Home Delivery and Fitment, best-in-class dealer portal for channel partners and digitization at manufacturing plants to improve efficiency and transform them into smart factories.
6. CEAT has been at the forefront in Indian tyre industry in terms of innovation. With the continued focus on R&D, the patent portfolio of the Company has grown more than tenfold and crossed 100 patents in the last six years. New Product Development process, which

starts with deep consumer insighting integrated with simulation processes, has enabled CEAT to launch several successful new products in a shorter time frame and also develop breakthrough products to solve the customer's pain points, Puncture-safe tyres, Gripp X3 (which provides grip even when the first layer of the tyre is worn out), Premium range of 4 wheeler tyres (SecuraDrive, SportDrive) and tyres with Colored Tread Wear Indicators are a few examples. The R&D centre set up in Frankfurt, Germany, also plays a pivotal role in developing products with global benchmarks.

7. Sustainability is taken up as a policy goal at the Company level and achievement of sustainability targets are linked to the compensation of the senior management including Managing Director. Mr. Goenka heads the ESG Council which drives various sustainability initiatives across the organisation. CEAT commits to taking responsibility for the environmental impact of its operations, giving back to society and upholding fair and just governance structures to fulfil its purpose of 'Making Mobility Safer and Smarter. Every Day'. With this keen focus on sustainability, the Company targets to "Reduce Carbon Footprint by 50% by 2030." The impact of tyre supply chain, manufacturing and consumer usage can be broken down into six stages from raw material procurement to end of life disposal.

KPIs have been defined for each stage to help CEAT achieve its 2030 sustainability vision.

8. CEAT has maintained strict balance sheet discipline and despite undergoing the largest ever capex in its history, has been able to maintain leverage ratios under control (FY 2021-22 Debt to Equity ratio has been 0.66 while Debt to EBITDA ratio is 2.95).

Mr. Anant Goenka was appointed as Managing Director of CEAT in 2012 and was re-appointed for term of 5 years with effect from April 1, 2017, pursuant to the approval of Members at the Fifty-Eighth Annual General Meeting of CEAT held on August 8, 2017.

Thus, in accordance with the Nomination and Remuneration Policy of the Company, applicable statutory provisions, the experience, qualification and contribution of Mr. Anant Goenka in CEAT's growth and further evaluation of industry benchmarks on remuneration drawn by executives at similar levels, the Board at its meeting held on May 5, 2022, subject to approval of Members, on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Goenka as Managing Director and Chief Executive Officer for a period of 5 (five) years with effect from April 1, 2022 on such terms and conditions as stated in the Agreement including annual remuneration.

The details of remuneration, as approved by the Board of Directors at its meeting held on May 5, 2022, based on recommendation of Nomination and Remuneration Committee are as given below:

Sr. No.	Particulars	Amount (₹)
1	Salary (₹/ p.m.) Eligible for revision every year as determined by the Board.	13,18,295
2	Other Allowances (₹/ p.m.) Eligible for revision every year as determined by the Board.	33,04,545
3	Performance Bonus / Variable Pay as per the Company policy and as determined by the Board.	
4	Perquisites: <ul style="list-style-type: none"> • Furnished Company Leased Accommodation / House Rent Allowance: Not exceeding 60% of Salary every year. • Medical: Not exceeding 1 (one) month's Salary for self and family every year. • Use of two cars for business use along with drivers. • Telephone and other communication facilities at residence for business use. • Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment or such other reason as may be approved by the Board of Directors from time to time. • Taxable perquisites as prescribed under the Income Tax Act, 1961. • Other perquisites: As may be granted monetary value of which shall not exceed ₹ 25,00,000/- per annum. 	
5	Retirals: Provident Fund - @12% of basic salary Superannuation- @ 15% of basic salary Gratuity Fund - As per the Company's Policy	

The Company does not have a practice of paying severance fees nor have a stock option programme for any of its Directors including the Managing Director. Notice period for Managing Director is 4 (four) months.

Subject to the control and supervision of the Board of Directors, Mr. Goenka, shall be in charge of the management of the affairs of the Company and shall perform such duties

and exercise such powers as may be entrusted to him from time to time by the Board and Members except such matters which are specifically required to be undertaken by the Board under the applicable provisions of the Articles of Association of the Company or under the Act and the Rules made thereunder or under the Listing Regulations, as amended from time to time.

Details as required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, as applicable are provided hereunder.

Name of the Director	Mr. Anant Goenka
DIN	02089850
Qualification	Masters in Business Administration from Kelloggs School of Management and BS Economics from the Wharton School, University of Pennsylvania
Date of Birth (Age)	October 19, 1981 (40 years)
Initial date of appointment on the Board	April 1, 2012
Experience and Expertise and brief resume	<p>Mr. Anant Goenka is a Member of the Management Board at RPG Enterprises. He is also the former Chairman of Automotive Tyre Manufacturers' Association (ATMA).</p> <p>Mr. Goenka has over 18 years of experience during which he has worked in CEAT Limited, KEC International Limited and Hindustan Unilever Limited. He started his career with Hindustan Unilever Limited in 2003 after which he joined CEAT Limited as Regional Manager - Sales. He went on to lead the Off Highway tyres Business in 2005. He then joined KEC International Limited (KEC) as Vice President (Corporate) in 2007 and was in charge of the Telecom business, Business development in North America and Integrated Planning and Monitoring of Transmission and Distribution Business. In recognition of his contribution in the said business vertical, KEC elevated him to the position of Executive Director – Supply Chain responsible for manufacturing, procurement, planning, logistics and quality functions. In 2010 he moved back to CEAT as Deputy Managing Director and was then appointed as Managing Director in April, 2012.</p> <p>Mr. Goenka has been recognised by Forbes as the "Next Generation Business Leader of the Year" in 2017 and as "India's 40 under 40 Business Leaders" by Economic Times-Spencer Stuart. He also led CEAT to win the Deming Prize in 2017, one of the most prestigious global quality awards in the world.</p> <p>Mr. Goenka is an MBA from the Kellogg School of Management and a BS (Economics) from the Wharton School, University of Pennsylvania.</p> <p>He has been a major driver for growth story of CEAT which is amongst the top tyre player in India and major exporter worldwide. With disruption in tyre Industry, he has steered CEAT through innovation, digital transformation, strong research & development and expansion which helped CEAT to stay ahead of the curve.</p>
No. of Meetings of the Board attended during the year	Mr. Anant Goenka attended all 5 (five) Board Meetings held during the FY 2021-22.

List of Directorship/ Membership / Chairmanship of Committees

Director (excluding foreign companies):

1. CEAT Auto Components Limited
2. Zensar Technologies Limited
3. Raychem-RPG Private Limited
4. Spencer International Hotels Limited
5. Seniority Private Limited
6. Evergreen Community Private Limited
7. Spencer and Company Limited

Membership/Chairmanship of Committees (excluding foreign companies):

CEAT Limited –

1. Chairman of Finance & Banking Committee.
2. Chairman of Corporate Social Responsibility Committee .

Listed Entities from which person has resigned during past 3 years.

STEL Holdings Limited (Resigned w.e.f. December 18, 2020).

No. of shares held in the Company including shareholding as a beneficial owner.

14,185 shares.

Disclosure of relationship between Directors and Key Managerial Personnel of the Company.

Mr. Anant Goenka is the son of Mr. H. V. Goenka (Chairman of the Board). He is not related to any other director or Key Managerial Personnel of the Company.

Terms & Conditions of appointment / re-appointment.

As provided in the Agreement dated March 31, 2022 entered into between Mr. Goenka and the Company.

Details of remuneration sought to be paid.

Please refer to the Explanatory Statement.

Details of remuneration last drawn.

Please refer Corporate Governance Report forming part of the Annual Report for FY 2021-22.

The appointment and remuneration of Mr. Goenka is in compliance with the provisions of Sections 196, 197, 203, the rules made thereunder and other relevant and applicable provisions, if any, of the Act and the Articles of Association of the Company and the Listing Regulations.

The Board recommends the Resolutions as set out under business Item Nos. 6 & 7 of this Notice for approval of the Members by means of Ordinary Resolutions.

Item No. 8 of the Notice:

He is not disqualified from being appointed as Director in terms of Section 164 of the Act and is also eligible to act as Managing Director of the Company pursuant to applicable provisions of the Act.

The Members of the Company at its Meeting held on August 8, 2017 approved the appointment and remuneration payable to Mr. Anant Goenka, Managing Director of the Company, up to expiry of his term on March 31, 2022, in accordance with the applicable provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 ('the Act') and Rules made thereunder.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

As stated in explanatory statement to Item Nos. 6 and 7, despite COVID and its impact across industry in India and worldwide during last 2 years and other factors, Mr. Goenka has been able to steer CEAT with excellent business performance and strengthened its brand position with significant 23% increase in revenues in FY 2021-22 over FY 2020-21. The EBIDTA of CEAT grew from ₹ 66,000 Lacs to ₹ 97,379 Lacs between FY 2016-17 and FY 2020-21. However due to unprecedented 29% YoY commodity price increase in FY 2021-22, the EBIDTA declined to ₹ 70,107 Lacs and the profit before tax declined from ₹ 45,890 Lacs in FY 2020-21 to ₹ 7,724 Lacs in FY 2021-22.

Members' approval is hereby sought separately for the re-appointment of Mr. Goenka as Managing Director and Chief Executive Officer of the Company for a period of 5 (five) years effective April 1, 2022 and fix the remuneration payable to him in that capacity.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anant Goenka himself and Mr. H. V. Goenka, Chairman is, in any way, concerned or interested, whether financially or otherwise, in the resolutions set out in Item Nos. 6 & 7 of the Notice.

In case of absence of profit and / or inadequacy of profit calculated as per provisions of Section 197 read with Section 198 of the Act, the company may pay remuneration over the ceiling limit specified in Schedule V of the Act, subject to approval of members by way of Special Resolution.

Further, in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), approval of members by way of Special Resolution is required where the overall remuneration payable to executive directors being promoter or part of promoter group exceeds ₹ 5 crore or 2.5% of the net profits of the company, whichever is higher.

Considering the inadequate profits for FY 2021-22, an estimated excess remuneration of ₹ 200 Lacs was recovered from Mr. Goenka, Managing Director, of which, ₹ 147.26 Lacs being the excess remuneration as per the limits prescribed under Section 197 of the Companies Act, 2013, shall be payable to Mr. Goenka subject to the approval of the Members of the Company by Special Resolution.

The details of remuneration payable/paid to Mr. Goenka during FY 2021-22 are as provided below:

Particulars	Amount (₹ in Lacs)
Fixed Pay (paid)	450.87
Fixed Pay (payable)*	147.26
Performance Bonus / Variable Pay (payable)*	Up to 202.00
Retirals	14.85
Total	Up to 815.00

*Fixed Pay and Bonus would be payable subject to the approval of Members.

The compensation across the Company comprises of fixed and variable component. The percentage of variable component increases depending on grade / designation of the employee, the highest being for the Managing Director. The compensation revision and variable pay-out for all the employees including the Managing Director is based on the individual's score and Company's performance.

In accordance with the Nomination and Remuneration Policy of the Company, the compensation of the Executive Directors including the Managing Director, is determined every year based on the Company's performance, industry trends and peer benchmarking.

The Details of past remuneration drawn by Mr. Goenka are as follows:

(₹ in Lacs)			
Year	Total Remuneration	PAT ¹	% Payout ²
2017-18	397.29	27,872	1.43
2018-19	473.13	28,891	1.64

(₹ in Lacs)			
Year	Total Remuneration	PAT ¹	% Payout ²
2019-20	558.47	22,461	2.49
2020-21 ³	312.57	41,364	0.76
2021-22 ⁴	465.72	5,433	8.57

Notes:

- Refers to PAT on standalone basis and is not the same as profit calculated under Section 198 of the Act.
- Refers to percentage Payout to Standalone PAT.
- During FY 2020-21, Mr. Goenka contributed fixed pay, net of taxation and retirals for the noble cause of supporting the fight against COVID-19.
- Does not include Remuneration of ₹ 147.26 Lacs and Performance Bonus / Variable Pay up to an amount of ₹ 202 Lacs that would be payable subject to the approval of Members of the Company.

Despite strong profits being available in FY 2020-21 to accommodate his remuneration, Mr. Goenka had forgone his remuneration (net of taxation and retirals) for the said year for the noble cause of contribution towards impact of COVID-19. The remuneration paid to Mr. Goenka for FY 2020-21 was well within the specified statutory limits. Mr. Goenka does not receive any compensation from the Company's subsidiaries.

During FY 2020-21 and FY 2021-22 despite of several challenges on account of COVID-19, the Company neither laid-off the existing employees nor reduced their remuneration and continued upscaling the manpower. The average increase in salaries of employees (other than managerial personnel) was 14.13% for FY 2021-22 while that for Mr. Goenka was 15.25% (salary forgone and no increment given in FY 2020-21).

CEAT has always been consistently paying dividend and the percentage dividend payout to the face value of the shares has increased from 115% in FY 2017-18 to 180% in FY 2020-21.

Considering the above facts and after considering the financial position of the Company, the Nomination and Remuneration Committee and the Board recommended the payment of excess managerial remuneration of ₹ 147.26 Lacs together with the Performance Bonus / Variable Pay of up to ₹ 202 Lacs, (being 25% of the overall remuneration, payable to Mr. Goenka for FY 2021-22) as may be determined by the Nomination and Remuneration Committee based on the terms and conditions as were originally approved by the Members vide resolution dated August 8, 2017, notwithstanding that the annual remuneration paid/payable for FY 2021-22 to Mr. Goenka exceeds the limits prescribed under Section 197 of the Act and Regulation 17(6)(e) of the Listing Regulations.

In view of the inadequate profits for FY 2021-22, approval is being sought from the Members vide a Special Resolution under Section 197 of the Act read with Schedule V and Regulation 17(6)(e) of the Listing Regulations.

Information as required under Schedule V is as below:

I. General Information:

i. Nature of Industry

CEAT is one of India's leading tyre brands and the flagship Company of the RPG Group. Driven by the purpose of helping the world move safely and smartly, CEAT provides world-class products and services across 110+ countries.

ii. Date or expected date of commencement of commercial production.

The Company was incorporated in 1958 and has already commenced commercial production since long.

iii. Financial performance based on indicators:

a. Standalone Financial Performance based on given indicator (₹ in Lacs)

Particulars	2021-22	2020-21	2019-20
Total Revenue	9,34,082	7,60,459	6,77,858
Profit before Tax	7,724	45,890	29,237
Profit after Tax	5,433	41,364	22,461

b. Consolidated Financial Performance based on given indicator (₹ in Lacs)

Particulars	2021-22	2020-21	2019-20
Total Revenue	9,37,481	7,62,341	6,79,934
Profit before Tax	9,488	48,389	30,429
Profit after Tax	7,058	43,230	23,006

iv. Foreign Investments or Collaborations, if any – Company does not have foreign collaborators and thus does not have equity participation by foreign collaborators in the Company.

II. Information about the appointee

Sr No	Particulars	
1	Background details	As stated in the Explanatory Statement to Item Nos. 6 & 7.
2	Past Remuneration and details	As stated above.
3	Recognition or Awards	Mr. Goenka was amongst the top 100 CEOs in India, in the BT-PwC List of India's Top 100 CEOs, released in January 2016. Mr. Goenka is a past chairman of ATMA (Automotive Tyre Manufacturers' Association) and currently a member of Managing Committee of ATMA. Earlier in 2014, he was a part of The Economic Times-Spencer Stuart '40 under 40-India's Hottest Business Leaders' list. Under his leadership, CEAT added many feathers to its hat a few of which are listed below: <ol style="list-style-type: none"> CEAT was ranked 1st out of the 15 rubber companies by ESG Risk AI assessment in India in 2022, Won the "Trophy" (top prize) by Jamnalal Bajaj Council for Fair Business Practices in 2022 under Manufacturing sector (Large) category, "Great Place to Work®" - Ranked amongst Top 33 companies in India, "Excellence in Customer Delight" partnership award from Hyundai, ET Innovation Award for Marketing & Brand Innovation, Awarded for Best Risk Management Framework and Systems in Auto Ancillary segment from CNBC-TV18, CII Award for the Most Innovative Business Practice in Customer Experience, Ranked 4th best D&I company of the year at the best Diversity and Inclusion practices of Asia Seminar Awards 2020 and Revenue Generation for New product and service introduction for CEAT fleet solutions at Mint Business Transformation Awards 2021

Sr No	Particulars	
4	Job Profile and suitability	<p>Associated with CEAT since 2010, he is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of CEAT. His responsibilities include (i) focus on strategic planning, growth and expansion; (ii) overseeing the operations and strengthening practices; (iii) increasing the market presence across the world; and (iv) leading the ESG practices of the Company.</p> <p>Considering his knowledge, skills, expertise, vast experience of working with global conglomerates and steering CEAT since 2010, the Board considers him suitable for this position and strongly believes in the ability of Mr. Goenka to turn around the Company.</p> <p>It is critical for the Company to operate under his leadership with his knowledge and experience, specially under the current challenging circumstances where the industry is facing headwinds on account of demand, commodity prices etc.</p>
5	Remuneration Proposed	The details of excess remuneration proposed to be given to him is stated above.
6	Comparative Remuneration Profile with respect to Industry, size of the company, Profile of position and Person	The total remuneration for FY 2021-22 including excess remuneration proposed to be paid (duly approved by the Nomination and Remuneration Committee and the Board of Directors) is in line with the trends of similar sized and capacity organizations in the industry and is befitting Mr. Goenka's experience, competence and roles and responsibilities at CEAT.
7	Pecuniary Relationship, directly or indirectly with the company or relationship with the managerial personnel, if any	Other than remuneration (including excess remuneration proposed to be paid), Mr. Goenka has no pecuniary relationship with CEAT or Key Managerial Personnel. Mr. Goenka is the son of Mr. H. V. Goenka, Chairman of the Company and directly holds 14,185 shares in CEAT.

III. Other information:

i. Reason for loss or inadequate Profits:

CEAT is in the business of manufacturing tyres, tubes and flaps for on-road and off-road vehicles. Considering the pandemic, geo-political unrest and other factors, input costs have gone up substantially. Hyper-inflation resulted in lower vehicle demand as well as overall slowdown in economic activity, which impacted tyre demand. Therefore, there were inadequate profits during FY 2021-22.

ii. Steps taken or proposed to be taken for improvement:

Despite of economic slow-down and weak market sentiments, CEAT has been able to stay ahead of the curve through developing robust strategies for expanding its business and profits. CEAT has also developed a strategic road map to enable its future growth and sailing through the headwinds. This includes (i) higher share of exports and more profitable off-highway tyres, (ii) digital initiatives to improve brand recall, customer experience and interactions with channel partners and distributors; (iii) expansion of CEAT Shoppe in major geographies for superior customer experience; (iv) expansion of service based model for commercial

vehicle fleet; (v) strong research and development to integrate it with changing technology; (vi) strong quality assurance system; (vii) streamlining of processes for improved efficiency; and (viii) robust risk mitigation framework. With these steps, the Board expects improved performance and profitability over the years.

iii. Expected increase in productivity and Profits in measurable terms:

The world economy remains volatile with growing geo-political tensions and COVID-19 pandemic. Driven by the Company's purpose of helping the world move safely and smartly, CEAT continues to provide world-class products and services across 110+ countries and it's heartening to see CEAT stands strong and agile through its robust strategies. CEAT is hopeful of its better performance in all measurable parameters in the coming years.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

The Company does not have a practice of paying severance fees nor have a stock option programme for any of its Directors' including the Managing Director. Notice period for Managing Director is 4 (four) months.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Anant Goenka, himself and Mr. H. V. Goenka, Chairman is, in any way, concerned or interested, whether financially or otherwise, in the resolution as set out in Item No. 8 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 8 of the Notice for approval of the Members.

Item No. 9 of the Notice:

Pursuant to the Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to obtain prior approval of its Members by means of a Special Resolution for any offer or invitation to subscribe to non-convertible debentures to be made by the Company on a private placement basis. Special Resolution can be obtained once in a year for all the offer(s) or invitation(s) for such debentures during that year.

In order to augment long-term resources and for general corporate purposes inter alia, financing of the on-going capital expenditure for expansion of capacity, reduction of overall interest and finance cost as well as for general purposes including the restructuring / replacement of high cost debt, the Company intends to offer an invitation for the subscription for secured / unsecured, non-convertible debentures / bonds or such other debt securities, in one or more series / tranches on private placement basis, not exceeding ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores only) as it may deem appropriate.

The Members of the Company had by passing a Special Resolution at the Annual General Meeting held on September 14, 2021, granted approval to the Board to offer and issue Non-convertible Debentures on private placement basis for an aggregate amount up to ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores only) in one or more tranches, valid until September 13, 2022.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 9 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 9 of the Notice for approval of the Members.

Under the Authority of the Board of Directors

Vallari Gupte
Company Secretary and
Compliance Officer
(M. No. FCS-5770)

Place: Mumbai
Date: May 5, 2022

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli,
Mumbai 400 030

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List of Abbreviations

Abbreviation	Full Form
AI	Artificial Intelligence
ATMA	Automotive Tyre Manufacturers' Association
BR	Business Responsibility
BRR	Business Responsibility Report
BSC	British Safety Council
CALM	Cavity Low-noise Mode
CAPEX	Capital Expenditure
CE	Circular Economy
CETC	CEAT European Technical Centre
CFA	Carrying and Forwarding Agent
CGEC	Corporate Governance and Ethics Committee
CIN	Corporate Identity Number
CLIP	Committed Line Item Performance
CMRT	Conflict Mineral Reporting Template
CNG	Compressed Natural Gas
COSHH	Control Of Substances Hazardous to Health
CPCB	Central Pollution Control Board
CQ	Continuous Quality
CSR	Corporate Social Responsibility
CTQ	Critical-To-Quality
CTR	cut tyre rating
CWH	CEAT Way of Hiring
D2C	Direct-to-Consumer
DC	Distribution Centre
DnA	Data & Analytics
DSE	Display Screen Equipment
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EHS	Environment, Health and Safety
ELV	End of Life Vehicles
EPR	Extended Producer Responsibility
ESG	Environment, Social Governance
ESIC	Employees' State Insurance Scheme
EV	Electric Vehicles
FAQ	Frequently Asked Questions
GDA	General Duty Assistant
GHG	Green House Gases
GJ	Giga Joule
GM	General Manager
GRI	Global Reporting Initiative
H&S	Health and Safety
HDPE	High Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
HPS	High Pressure Steam
HSSC	Higher Secondary School Certificate
HVLS	high-volume low-speed
IAFT	International Automotive Task Force
IFC	Intelligent air Flow Control
IFM	Integrated Facility Management
IGBC	Indian Green Building Council
IIRC	International Integrated Reporting Council
INMETRO	National Institute of Metrology Standardization and Industrial Quality
IoT	Internet of Things
IRC	Integrated Reporting Council
ISO	International Organization for Standardization

Abbreviation	Full Form
IT/ITES	Information Technology/ Information Technology Enabled Services
kl	Kilo Liter
KPI	Key Performance Indicators
kWh	Kilo-Watt Hour
LDO	Light Diesel Oil
LED	Light Emitting Diode
LP	Low Pressure
LPS	Low Pressure Steam
LTI	Lost Time Injury
LTMP	Long Term Material Planning
MaaS	Mobility as a Service
MD	Managing Director
MES	Manufacturing Execution system
MMH	Manual Material Handling
MSP	Minimum Support Price
MT	Metric Tonne
MW	Megawatt
NFTs	Non-fungible Tokens
NGO	Non-Government Organisation
NGRBC	National Guidelines on Responsible Business Conduct
NOx	Oxides of Nitrogen
NPD	New product development
NPS	Net Promoter Score
NR	Natural Rubber
OEM	Original Equipment Manufacturer
OHC	Occupational Health Centre
P2P	Purchase-2-Pay
PACE	Play To Win, Agility, Customer Obsession and Empowerment
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Cars
PCI	Post Curing Inflation
PCR	Passenger Car Radial
PCT	Process Cooling Tower
PF	Provident Fund
PLI	Production Linked Incentive
PO	Purchase Order
PPM	Parts per Million
PPP	Public Private Partnership
QA	Quality Assurance
QBM	Quality Based Management
QIP	Quality Improvement Projects
QPRS	Quarterly Return & Monthly Payment Scheme
R&D	Research and Development
R&R	Rewards and Recognition
REACH	Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals
RM	Raw Material
ROCE	Return On Capital Employed
ROE	Return On Equity
RPA	Robotic Process Automation
RPG	Rama Prasad Goenka Group
RQ	Request for Quotation
RSPM	Respirable Suspended Particulate Matter
SAM	Shift Assembly Meeting
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals

Abbreviation	Full Form
SIS	Shop in Shop
SKU	Stock Keeping Units
SLA	Service Level Agreements
SMED	Single-Minute Exchange of Dies
SOx	Oxides of Sulphur
SPARSH	Sustainable, Productive, Accurate, Reliable, Safe and Healing
SPC	Statistical Process Control
SPCB	State Pollution Control Board
SUV	Sport Utility Vehicle
TBR	Truck and Bus Radial
tCO ₂ e	Tons of Carbon Dioxide Equivalent
TCU	Temperature Control Unit
TPD	Tonnes per day
TPM	Total Particulate Matter
TPS	Toyota Production System
TQM	Total Quality Management
TWI	Tread wear indicator
UNGC	UN Global Compact Principles
VFD	Variable Frequency Drive
VP	Vice President
Y-O-Y	Year-On-Year

Abbreviation	Full Form
SIS	Shop in Shop
SKU	Stock Keeping Units
SLA	Service Level Agreements
SMED	Single-Minute Exchange of Dies
SOx	Oxides of Sulphur
SPARSH	Sustainable, Productive, Accurate, Reliable, Safe and Healing
SPC	Statistical Process Control
SPCB	State Pollution Control Board
SUV	Sport Utility Vehicle
TBR	Truck and Bus Radial
tCO ₂ e	Tons of Carbon Dioxide Equivalent
TCU	Temperature Control Unit
TPD	Tonnes per day
TPM	Total Particulate Matter
TPS	Toyota Production System
TQM	Total Quality Management
TWI	Tread wear indicator
UNGC	UN Global Compact Principles
VFD	Variable Frequency Drive
VP	Vice President
Y-O-Y	Year-On-Year



 **hello happiness**

CEAT LIMITED

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An  **RPG** Company